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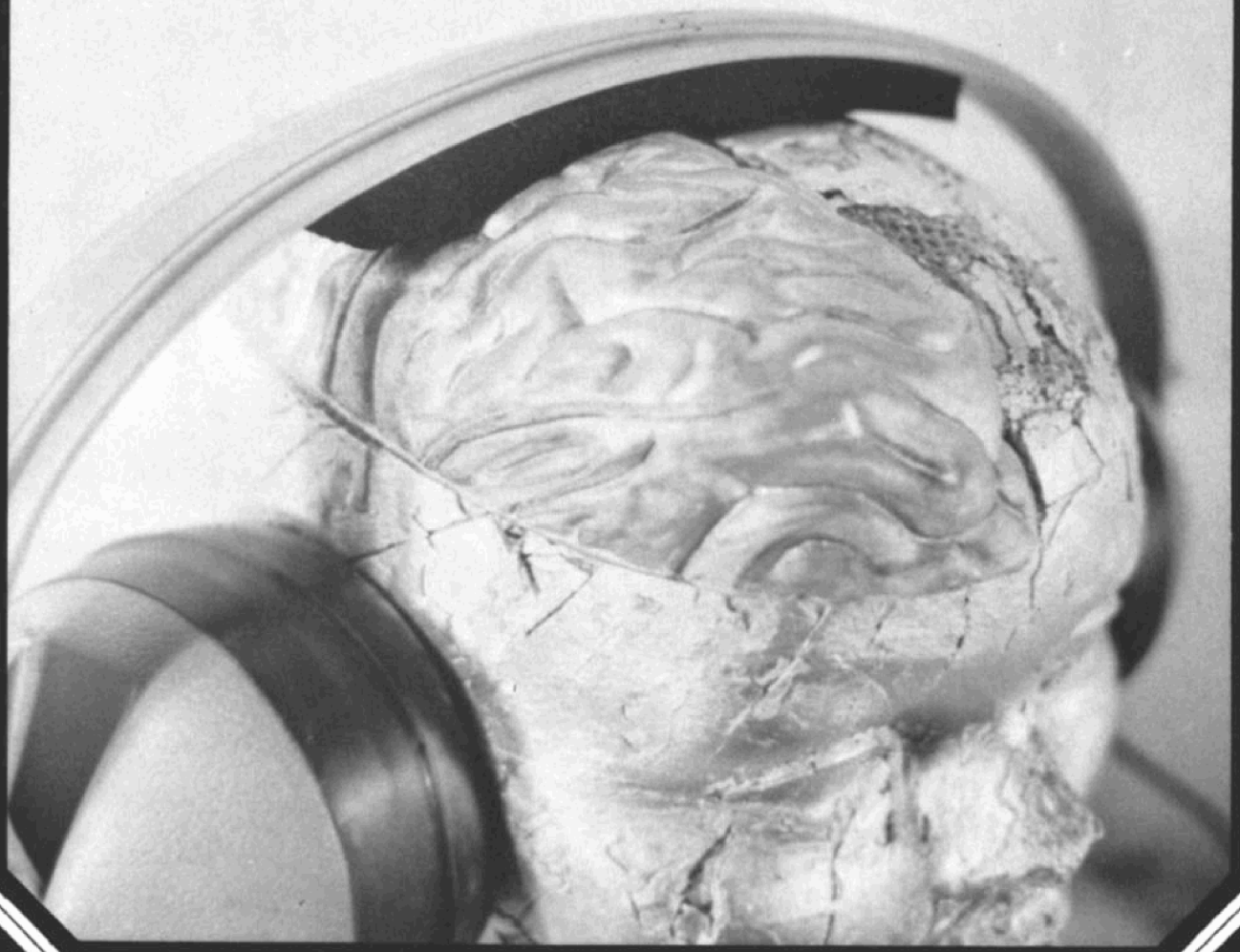

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AN INVITATION TO EXPERIENCE "THE BIOCENTRIC APPROACH" WITH NATHANIEL BRANDEN

Throughout 1977, Dr. Nathaniel Branden will offer a number of weekend workshops in Biocentric Therapy which will be open to readers of his books who wish to experience his approach to change, growth and personal evolution.

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All groups run on Saturday and Sunday, 10 a.m. to 6 p.m. The fee for the workshop is $150.00.

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* * * * * * * * * * * * * * * * * * * *

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"There is no longer any brake on inflation... Hyperinflation has to come."

Warns Dr. Nicholas Deak, Head of the Deak-Perera Group of Banks and survivor of 3 European runaway inflations

Dr. Deak controls a complex of 57 banking and foreign exchange offices throughout North America, Europe, and Asia, including the Foreign Commerce Bank and Perera & Co. Dr. Deak, a Ph.D. in International Finance, lived through three devastating runaway inflations—in Germany, Hungary, and Austria.

Now, in an exclusive interview with the *Silver & Gold Report,* Dr. Deak tells why his personal experience leads him to believe runaway inflation will strike America. Moreover, he gives specific, practical advice about how you can protect your assets. Here are excerpts from the interview.

What is it like to live through runaway inflation?

DEAK: "It is heartbreaking. I remember when members of my family went to the countryside with jewelry and clothing to exchange for eggs, milk, butter, and cheese. The middle classes were wiped out financially and socially. In the end, it didn't even pay for retirees to go and collect their pensions because they had to spend more money on the transportation to get to the pension office than they would receive."

Why do you expect inflation to worsen?

DEAK: "The main cause of inflation is excessive government deficit spending. I cannot see any reversal of government deficit spending because our society has now adjusted itself to a mentality that the weak must be supported by the strong. As deficit spending continues, then inflation must continue and it must accelerate. Since the backing of the dollar has now been completely eliminated, there is no longer any brake on inflation."

What do you see as the outlook for America?

DEAK: "Inflation begins slowly, fluctuates, and only gradually gains momentum. So I do not feel there will be hyperinflation in the immediate future—tomorrow, a month or even a year from now. But it's coming. With the system we have today, hyperinflation has to come."

Moreover, in this interview, Dr. Deak tells which investment was most widely used to shelter assets during the past runaway inflations—and he tells why he believes it is NOT suitable for the coming one.

In addition, he compares silver and gold for their short and long term investment potentials, and he makes specific price projections for each for the next two years. Finally, he recommends 3 specific investments for immediate purchase. (His choices may surprise you).

How to get a complimentary copy of this interview.

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A forum for analysis and commentary, with an emphasis on individual liberty

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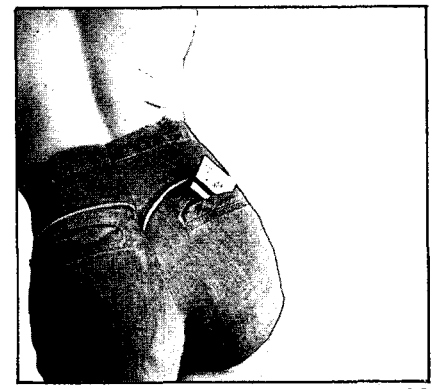

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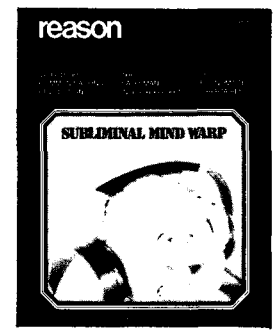

This month's cover story (pg. 14) describes governmental experimentation with the frightening effects of high intensity ultrasonics on the human brain. Cover photo by Phil Groves.

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LETTERS

DISCORD FAN

Though I am a reader as yet outside the circle of libertarianism (but increasingly feeling its tug), I was especially taken by George S. Swan's "Discord in Utopia" [October].

Swan has a remarkably impartial and unclouded perspective. More than anything else, in a matter of a few insightful pages, he has demonstrated the critical need for continued articulation of libertarian principles and policy.

My compliments to REASON magazine for providing a framework within which such a need can be met.

James Chesher
Santa Barbara, CA

PROPERTY RIGHTS

Several, although admittedly not all, of the "problems" discussed in George S. Swan's "Discord in Utopia" stem from the same fallacy: that of accepting into a "utopian" libertarian society certain traditional statist institutions. The issue of airlines flying over private property derives from the omission of a necessary definition of the owned property: namely its vertical dimensions. Thus the purchaser of a piece of land should obtain ownership rights to a three dimensional parcel extending so many feet above the ungraded surface of the land (or to a certain elevation) and similarly should own the land to a certain depth below the surface. The upper limit may also serve to limit the construction of high rise buildings in front of scenic property, provided developers write the appropriate clauses into the purchase contract (or the owners of the scenic property purchase the air space over the property in front of them), while the lower limit of owned property defines rights in the case of oblique drilling for oil (or of mining) beneath private property. (The law must define liability to the driller or miner should their activities result in damage to the property above.)

Similarly, while wiretapping is an invasion of private property rights, it is not the rights of the telephone user, whose conversation is being monitored, whose rights are invaded, but those of the private telephone company whose wires are being tapped. If your present telephone company permits wiretapping by authorized government officials, and it is the company's decision what constitutes "authorized," and you desire an untapped line, then you are free to contract with another company which does not permit tapping, provided such a firm exists.

Regarding the "problem" of nudity, fornication, or sadism on "public" streets, how does one allow public property in a utopian libertarian society in the first place? Clearly all public thoroughfares are privately owned by some individual or group, who grants permission to the public to use them for specified purposes, and those specified purposes may permit, or prohibit, any form of behavior that the owner chooses.

The question of the drive-in theater showing pornographic movies relates to the subject matter of another article in the same issue of REASON: "How to Fight Land Use Planning" by John McClaughry. The issue here is: does a government have the right to restrict the use to which private property is put, and if they do, is the property still "private?" Clearly the libertarian answer is no, unless such restrictions are written into the purchase contract. Nor can a government require such restrictions on future sales of property, for this would violate the rights of the present property owners to dispose of the property as they choose.

Donald L. Blanchard
Lakewood, CO

DISCORD REVISITED

Mr. Swan's "Discord in Utopia" article clearly indicates why conflicts exist in the libertarian philosophical sphere—a failure to grasp the full ramifications of total acceptance of libertarian policy. Mr. Swan's arguments rather than demonstrating fundamental or irreconcilable differences in his "real world" application of libertarian doctrine in the most part indicate muddled thinking on behalf of the various authors cited and a persistance in Swan's mind of the sanctity of the state.

Swan with his wire tap conflict opposes Murray Rothbard and the U.S. Supreme Court (a libertarian institution???). He irrationally concludes—else why cite it—that the Court could

possibly be presenting a libertarian position when they *rule* that it is noninvasive to tap a phone so long as the tap is placed beyond the boundaries of the individual's property. Q.E.D. It is philosophically permissible to jam airwaves of television broadcasters, assuming the signal has left the transmitter. In a libertarian society, the individual would contract with the phone company of his choice with regard to the privacy of his conversations. I for one, and the market in general, would certainly command that communications remain priviledged. Thus I see neither a philosophical dilemma nor a problem of practical implementation.

Mr. Swan also "plays fast and loose" in quoting Adam Smith out of context concerning conspiracy by businessmen against free trade as a problem facing "real world" libertarianism. Smith was concerned about a government-enforced mercantile (or the contemporary corporate) state. In a free market, no conspiracy or cartel will long survive lacking the backing of the guns of government.

As Mr. Swan asserted discord exists among those with a true libertarian understanding (certainly not the Supreme Court, Milton Friedman, and questionably Ayn Rand), the burden of proof falls upon him to justify his hypothesis. Mr. Swan himself shows an unsettled philosophical base. He opens his article with a rather objectivist viewpoint that questions the threat of libertarian utopia to productive inventors and authors, yet he closes anxious that productive capitalists will somehow conspire to exploit us—a statist cliche. If nothing else, Mr. Swan's article makes a strong case for the anarcho-capitalist, for he demonstrates that even a limited government with so-called libertarian jurists like himself in control can be quite toxic to freedom.

Douglas R. Colkitt
Philadelphia, PA

MR. SWAN REPLIES: The point is not that in each controversy libertarianism fails to mandate one particular policy. The points are that identifying this policy is so difficult that even in a libertarian utopia the honest will clash, and that their differences will be reenforced by the profit motive.

Mr. Blanchard exemplifies the ambiguity of rights to realty encompassing the "certain elevation" above and "certain depth" below the surface. (Orwell complained that in English "certain amount" means an uncertain amount.) Title is only as good as the homesteader's; Nozick in *Anarchy, State, and Utopia* notes how vague is the homestead principle:

> If a private astronaut clears a place on Mars, has he mixed his labor with (so that he comes to own) the whole planet, the whole uninhabited universe, or just a particular plot? Which plot does an act bring under ownership? The minimal (possibly disconnected) area such that an act decreases entropy in that area, and not elsewhere? Can virgin land (for the purposes of ecological investigation by high-flying airplane) come under ownership by a Lockean [homestead] process? Building a fence around a territory presumably would make me the owner only of the fence (and the land immediately underneath it).

Rothbard in *Man, Economy, and State* (Vol. I) denies that Columbus could via discovery own an entire continent, but is no more precise in detailing the exact reach of the homestead right.

Political theorist David Friedman admits that libertarian policy is not self-evident. He concedes in *The Machinery of Freedom* that the nonaggression principle "leaves open the question of how one acquires ownership of things that are not created or that are not entirely created, such as land and mineral resources. There is disagreement among libertarians on this question."—**G.S.S.**

KUDOS

Congratulations for "Discord in Utopia" by George S. Swan. The "knee-jerk libertarian" needs to be criticized too!

William A. Ware
Houston, TX

CONSERVATIVES IN DISGUISE?

George Swan's article, although well written, confirms my worst fears about the libertarian movement generally. Namely, there is a lot of contemporary American conservatism under a libertarian label and very little of the real thing reflected in the movement's largest professional publication. I can't possibly deal here with the entire article but shall rather try to use a few examples to illustrate my points.

I view the notion of a "libertarian state" as a contradiction in terms. Mr. Swan says that "Economically motivated political ferment over at least narrow issues will accompany even a libertarian [sic] state." Certainly that would be true. States are monopolies and the source of all monopolies. He says that "Marxists and less doctrinaire opponents of the libertarian movement will be quick to expose the problems inherent in a utopian polity wherein great property ownership is enjoyed by the few." He also cites reliable evidence that "in the U.S. 92 percent of the trust holdings are owned by one percent of the adults" etc.

I am no socialist, let alone a Marxist. Yet, I don't find that state of affairs either libertarian or utopian. A truly laissez-faire marketplace does not lead to economic concentration. The 19th century may have been freer but it was hardly a truly free market by classical liberal standards, not to speak of radical libertarian standards. Particularly during and after the Civil War, America was increasingly dominated

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EDITORIAL

"The school systems of America are the single largest state agency for the deprivation of rights, starting at an early age and on a captive audience."

—**Helen Baker,** "Crack in Liberty Bell: Compulsory Education," *Civil Liberties* (1972)

"The cost of government is going up, but the public is asking us to take less. We have to say to the public, 'This is a service [schools] you are going to have to pay for.'"

—**Diane Watson,** Member of Los Angeles City Board of Education commenting on the Board's vote to increase salary of six school administrators to a range of $51,000 to $58,842, November 1, 1976

GET BIG BROTHER OUT OF THE SCHOOLS

Public schools in the rural, blue collar community of Eagle Point, Oregon have been closed since October 15 because voters defeated a proposed $2.6 million property tax levy. Led by a protest group calling for a tax revolt, Eagle Point voters have turned down five attempts to pass a levy to keep the schools open. Tax levies in two other Oregon districts, La Grande and South Lane, were voted down on November 2, and it appears that schools in these districts will also be forced to close.

Education is obviously of fundamental importance and most Americans strongly support the concept of universal public schooling financed by taxes. Nonetheless, in recent elections a majority of school bond issues has been voted down, and the day is past where public school systems can simply assume that voters will approve any school tax measure that is put to them.

Bruce Bartlett's article on voluntary education in this month's REASON discusses trends working against tax-supported schooling, including voters' hostility to increased taxes in general and the shift in age structure to the point where most taxpayers will not have school-age children, so will not go out of their way to support higher school taxes. The Eagle Point experience presents a valuable opportunity to assess the concept of public schooling in America and to consider innovative alternative approaches.

There is a widespread dissatisfaction with public schools which stems not from philosophical arguments favoring free choice and competition but from strong advocates of tax financed schools. The costs of public schools are continually rising, at the same time that classroom enrollment is shrinking and educational quality has been declining. Many public schools are experiencing grave problems with violence, vandalism, and strikes by teachers' unions. Too, public schools are under attack for perpetual racial segregation and for eliminating classroom prayer.

The performance of public schools in the inner city is so wretched that large numbers of students do not learn basic skills, such as reading and writing. Although it is commonly asserted that public schools are necessary to educate the poor, the term "twelve-year sentence" has been aptly used to describe the public schools as analogous to a huge prison system which incarcerates the young. Perhaps the strongest case to maintain the present system is the ironic argument that the poor intentionally should be impeded and repressed by inferior schooling. It is hard to visualize a system of schooling that would function any worse for the poor than the system we have today.

We urge radical educational reform as a top priority for those interested in personal liberty and in the goal of an educated populace. The program we advocate calls for the complete removal of government from the classroom.

Most Americans would instinctively resist any attempt to involve the government in the area of freedom of thought or belief. As contrasted with contrary experiences in other countries, in America it is generally considered wrong for the government to aid or regulate the press or the church. The idea of a state-controlled press is anathema to those who value freedom, yet Americans have become conditioned to granting government the far greater power of controlling the curriculum of schools. In his famous essay, *On Liberty,* John Stuart Mill warned that "[a] general state education is a mere contrivance for molding people . . . [in a manner] which pleases the predominant power in the government." It is of interest that, in addition to the noble aspirations of some early backers of public education, there were also other less benevolent motives. As noted by Murray Rothbard in his insightful discussion of education in *For a New Liberty,* "From the beginning of American history, the desire to mould, instruct and render obedient the mass of the population was the major impetus behind the drive toward public schooling." Indeed, one major force which, in the early 1920s, sought to compel all children to attend public schools was the Ku Klux Klan, which sought to "Americanize" Catholic and immigrant children by outlawing private schools.

Beyond the historical motives underlying the adoption of compulsory public schooling, it is worthwhile to consider why those who value a free market system to produce and distribute goods and services should support a socialized school system. If government were capable of handling the critical function of schooling, why shouldn't the government be entrusted to provide other necessaries as well? Can a convincing case be made in support of free competition when most citizens are taught in a school financed by taxes, and where all the teachers are employees of the state? One can recognize that there are devoted and capable teachers in public schools today, yet feel apprehensive about the impact on students of attempting to teach the virtues of personal liberty in a nonprofit institution which relies on coercion for its very existence.

If education is truly valued, why do we allow the state to become involved? The answer is not simply that we need public schools for the poor, because public schools are maintained in wealthy communities as well. How much, for example, would you expect the rate of literacy to decline in a community like Beverly Hills, California if all schools were private?

Most significantly, if the concern is for the poor, why single out schooling for a nationalized system of distribution? Compare the need for food, or shelter, or clothing—all of which are required for poor children, whether they go to school or not. How many would favor setting up a comprehensive government organization to pro-

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LETTERS

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by vast economic concentrations that are precisely traceable to massive state privileges and interventions. Even earlier, the Federalists gave us the Constitution that created what Albert Jay Nock called the "Merchant state." Hamiltonian centralization prevailed over the more libertarian Jeffersonian liberalism.

Persons of great wealth have almost to a man supported statist policies. The middle classes have been divided on the issue of "liberty vs. the State." The lower classes have also been divided, howbeit many have been tricked into being socialists, due partially to the failure of so-called defenders of liberty to distinguish between justly and unjustly acquired property, a concept basic to true libertarianism itself. Seldom, if ever, have the middle classes and lower classes united and waged a revolutionary struggle against those ruling classes that are the soul of every state. Such revolutions that have existed in this century are usually betrayed or co-opted in some respect by well placed conspiratorial forces, as witness the history of the Russian Revolution and the victory of the reactionary Bolsheviks.

As for honest disagreements between libertarians, we can never solve them by relying on "Central Committees" and large scale organizations trying to work within the state machinery. It will be mostly solved by spreading the word and taking individual and small scale actions to implement the changes we desire in the here and now. That means even taking revolutionary actions when, if and where such is strategically and tactically prudent.

Michael A. Nash
Memphis, TN

MORMON CHURCH REVISITED

I feel compelled to answer the letter of Mr. Joseph K. Stumph, Jr., regarding the Mormon Church and Libertarianism [October]. Mr. Stumph makes several claims for the Mormon Church which I will contradict.

I am not an atheist. But the Mormon Church is no more capable of proving the existence of a "God" or "Creator" or "Universal Intelligence" than I am. Mr. Stumph makes statements about the Laws of God, and says that God condemns homosexuality. Mr. Stumph has no means of prov-

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REASON'S COMMENT OF THE MONTH

The editorial reply printed below, by subscriber Donald F. Dean, was broadcast on KPIX-TV, Berkeley, CA on October 23, 24 and 25, 1976:

NONVOTER CONGRATULATED

KPIX is alarmed by the fact that over half of the electorate apparently intend to boycott the coming election, since they are not even registered to vote. On the contrary, I wish to congratulate that silent, non-voter majority for the morality of its response to today's politics.

So-called "voter apathy" may, in fact, be a sign of renewed popular support for the old American attitude of "MIND YOUR OWN BUSINESS." Whatever the issue—whether it's wage/price controls, or school busing, or victimless "crimes"—political traditions teach us to vote, for a law or a law-maker, and thereby to use government force to frustrate the hopes and plans of our neighbors. This busy-body attitude is the basic cause of most of the strife which plagues our society (indeed, the world) today. Far from being "a cherished right" and "a responsibility," as KPIX claims, voting has become an act of cowardice, a way to stab our neighbors in the back! Far too many people have been unwilling to "live and let live."

How can you help voting to become ethical once again? Stop using the ballot as a weapon against your fellow citizens. Withdraw your support from any parties or candidates who love the power to order us all around and who, as non-voters have complained, lack integrity and routinely break their promises. If, as usual, there are only such candidates, then by all means write someone else in or abstain from voting; after all, "the lesser of two evils" is still an evil.

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ing that statement, certainly not on any objective basis. Nor has he any means of proving that the book which his church and others claim is the Word of God has any origin in the Almighty. It is a collection of writings whose origin is in almost all cases uncertain. I have no basis for believing that the men who said "Thus saith the Lord" were anything other than madmen, and that the miracles which were supposed to have been done by them were anything other than clever magic tricks, if they were performed at all.

In any court of law, the statements contained in the Bible could be considered nothing more than hearsay evidence: those who advocate that book and the Book of Mormon can not even claim second-hand acquaintance with the authors of the writings: it is no more reasonable to place faith in them than it is to believe the story of George Washington and the cherry tree, given the tendency of human beings to mythologize their heroes. To reasonable people, not terrorized by dogma, the writings of those books deserve to be treated with the respect reserved for the myths of the Greeks.

How can Mr. Stumph claim that the Mormon Church is on the side of Liberty when the Book upon which that faith is based demands the murder of those who deviate from its sexual mores? There is nothing libertarian about the statement "Believe or be damned," and that is exactly the attitude taken by the Mormon Church and all other fundamentalist groups.

I certainly maintain the right of all religious groups to say "This is our opinion." But when the say "Thus saith the Lord," I can only say they are being intellectually and morally dishonest, and deserve to burn in hell more surely then those they condemn.

John R. Vernon
Libertarians for Gay Rights
Oklahoma City, OK

COSMIC MISUNDERSTANDING

Mr. Morrone's interpretation of Carlos Castaneda and Joseph Pearce [September] is typical of the difficulties that people have with these writers.

All of Mr. Morrone's comments are so remote from Castaneda and Pearce that there is simply no place of contact for discussion, indicating that Morrone is so deeply submerged and hypnotized by his own point of view that observations are impossible.

This may be the effect of the hidden processes emanating from computer programming involvement.

Alexander Steinmetz
Ft. Lauderdale, FL

MILITIA EFFECTIVENESS

I have been interested in the recent debate over the effectiveness of the militia in the American Revolution; it has been debated for nearly 200 years. Some historians (e.g. McCredy) contend that the militia liberated the southern colonies *despite* the Continental Army. Taking just the battles fought in my state of South Carolina (more than any other state except New Jersey, and perhaps New York) we find that the militia, when given good officers and equipment, did very well. The one instance of the militia panicking (Camden) was with green recruits, who had not even been shown how to use the weapons that had just been issued. Furthermore the American troops at Camden had had nothing to eat for several days except green peaches, and half the troops were out with dysentery, which may have been another reason for running. The com-

(continued on page 41)

QUICKIES

Gene McCarthy summed up the campaign just right. Accused of being a "spoiler" the independent candidate said: "If there was ever a year where it didn't matter if you spoiled things, this is it."

* * *

Worried about that drop in SAT scores? Don't be. According to the *National Observer,* today's kids are "at least as good, and at some ages much better, at literal comprehension of simple statements" as kids were four years ago. But they've gotten worse at "inferential comprehension"—using what they read to "form generalizations, reach conclusions, make comparisons, form judgments and create new ideas"—which is what the SATs (and adult society) stress. Johnny can *so* read; he's just stupid.

* * *

VOICES OF MODERATION: "Capitalism is a vicious system that enslaved my people. Anyone who supports it is either a sick man or an agent of the government."—Stokely Carmichael.

* * *

When Haywood Burns was director of the National Center of Black Lawyers, he campaigned vigorously against the underrepresentation of minorities. But when the Supreme Court upheld the constitutionality of capital punishment, guess who was complaining that "in a country with a minority population of less than 20 percent, the overwhelming majority of those facing death [he means execution, not murder] at the time of the Supreme Court decision were black (58 percent), Chicano (3 percent), and American Indian (2 percent)?" Some people are never satisfied.

* * *

The Horrors of Our Sexist Age, from *McCall's*: "America's four million divorcees are the new poor .... They are at the mercy of male judges whose known sympathies for the husband's side (!) is now matched by a new cynicism that says to divorcing women 'Go get a job'."

* * *

When a bomb in his car sent ex-Chilean Ambassador Orlando Letelier to that great social democracy in the sky, the Chile-haters were all set to have themselves a real ball ranting about how the Chilean secret police murdered him for his opposition to the junta. But those party-poopers at the FBI (with the help of the CIA) "virtually ruled out" that idea, calling the blast the work of amateurs, such as one of the Cuban-exile groups who reportedly had it in for Letelier. And the Venezuelan police say that one Orlando Bosch, head of the Coordination of United Revolutionary Organizations (an exile group claiming responsibility for several other bombings), has confessed that his group "ordered two of its US-based agents to carry out the Letelier 'hit'." To add insult to injury, the junta announced that the US can keep its economic aid from now on because the Chilean economy no longer needs it. And Milton Friedman, who caught all kinds of flack for advising the Pinochet regime on its economic problems, won the Nobel Prize. Thank God they can still hate South Africa.

* * *

Have you heard of Missile X? This is the successor to the Minuteman III land-based ICBM; a legacy of ex-Defense Secretary James Schlesinger's desire for a "counter-force capability" to improve the United States' chances of "winning" a "limited nuclear war." Unlike Minuteman, Missile X will be mobile—one proposal is to deploy the missile "in an underground trench, perhaps ten to twenty miles long, and moving the missile in a random fashion up and down the trench" to make it harder to find—and harder to count for any arms limitation agreement. Air Force chief of research and development Lt. General Alton G. Slay (!) estimates the cost of Missile X at between 15 and 30 billion dollars, not counting overruns. The Air Force is already buying the first hardware and digging experimental trenches. Disarmament, anyone?

* * *

Great Moments in Political Philosophy, No. 1: Peter Camejo, Presidential candidate of the Socialist Workers Party, telling the *New York Times,* "Socialism would mean a lot less government than we have today."

* * *

Say you're a conservative U.S. Senator, see, and you're trailing your opponent by better than 10 percent with a month to go until the election and next to no money for TV ads. Now someone points out to you that under the Federal Communications Act, a public educational TV station must provide "reasonable access' to political candidates or lose its license. So that means you can tell eight public TV stations to either run your five-minute ad (even though they may "have never run political commercials of any kind") or you'll sic the FCC on them. And if you get nasty enough, maybe they'll run it for "the relatively low cost of $1000"—or even "without charge"—although "such prime time on commercial stations would cost $3000 to $10,000." All you have to do is forget all your campaign rhetoric about free speech, private property and the evils of Big Government, and ... What? You say *you* wouldn't junk your principles, not even to win an election? Then, obviously, you're not Senator James L. Buckley of New York, who made just such a demand of eight New York stations, and filed a complaint with the FCC when five of them wouldn't knuckle under. Federal bureaucrats, it would seem, are *his* kind of people.

* * *

Every so often you hear some anti-tax guru claim that since Federal Reserve notes aren't backed by gold or silver they aren't "really" money—and so you don't have to report them as income. We regret to report that one man who tried that on the IRS, a Mr. John Noehl Schmitz, was convicted in district court of failing to file a return. On top of that, the appeals court refused to give him a new trial, saying Schmitz "just has no defense" and "no jury could fail to find him guilty," which would seem to kill the ultra-montanist definition of money utterly dead. Perhaps the court had heard free-market economist Benjamin Rogge's views on what constitutes "real" money. Said Rogge: "If the dog eats it, it's dog food."

Bill Birmingham

TRENDS

TAX LIMIT EFFORTS

November's election provided the opportunity for ballot measures in five states aimed at curbing the growth of state government. In every case the measures were defeated, thanks in part to heavy spending by opponents (chiefly public employee unions) and outspoken criticism by elected officials.

In Colorado the ballot proposition would have required "registered voter approval of all state and local executive or legislative acts which result in new or increased taxes." Hence, no tax increase of any kind could be passed without an election at which a majority, not merely of those voting but of those *registered*, gave their consent. The measure was drafted and petitioned onto the ballot by Stop Tax Increases, an ad-hoc group organized by engineer Thomas J. Morroni. Although early polls showed as much as 60 percent approval, a court challenge to the measure, combined with an 11th hour publicity blitz by the opposition, led to its defeat.

In Florida, another ad-hoc group developed a proposed constitutional amendment to freeze state employment permanently at one percent of the population. The group apparently did not originally realize that enactment of the measure would require the immediate termination of 11,830 full-time state employees, a fact exploited by opponents, who made emotional appeals about school teachers and policemen being fired. Still, the proposal garnered 47 percent of the vote.

In Utah and Montana voters rejected ballot proposals to freeze all state government spending at present levels for five years and phase out all Federal aid over this period. The proposals were sponsored by the right-wing American Party, but were opposed as too radical and potentially disruptive by such groups as the state chambers of commerce and even the Utah manufacturers and taxpayers associations.

The most professional proposal of all was developed by Taxpayers United, a Michigan coalition of taxpayers and small businessmen. Their plan would have limited state taxes and spending to 8.3 percent of personal income, the current level. It was inspired and backed by the National Tax Limitation Committee, whose members include Nobel laureate Milton Friedman, former Council of Economic Advisors chairman Paul McCracken, and Ford Motor Co. chief economist William Niskanen. Friedman and Niskanen were two of the chief architects of a similar tax limitation plan, defeated in California several years ago. The campaign in Michigan resembled the California experience. Although early polls showed the plan ahead by a two to one margin, the state teachers union mounted a heavily funded campaign, claiming that the plan would lead to increased property taxes and/or to massive, crippling cuts in public services. State officials, from the governor on down, sounded the warning. As a result, the final margin was six to five against the initiative.

The defeat of these measures is disheartening, but the fact of their existence is still significant. The expansive growth of government has finally become a major political issue. Next time perhaps there will be such measures on 20 or 30 state ballots instead of five.

SOURCES:

- "Voters to Decide on Legal Tax Protest," William Endicott, *Los Angeles Times*, Oct. 29, 1976.
- "Anti Forces Are Pro Action on State Ballots," Neal R. Peirce, *National Journal*, Nov. 2, 1976.
- "A Campaign to Curb Taxes in Michigan," *Business Week*, Oct. 25, 1976.

FREE MARKET ENERGY

Decontrol of the domestic petroleum industry would create new jobs and contribute to real growth in the GNP, according to a study published by the International Institute for Economic Research at UCLA. The authors, economists John Cogan, M. Bruce Johnson, and Michael P. Ward, found that decontrol would be the least costly way to reduce U.S. dependency on foreign oil sources.

Using a detailed analytical model of the industrial economy, the authors examined the likely effects of several alternative government energy policies: decontrol, subsidized coal production, import quotas, a tax on crude oil, and subsidized domestic oil production. All were designed to reduce dependence on foreign oil. In each case the model was used to predict the effects of the policy on such factors as aggregate U.S. employment, real gross national product, and U.S. dependency on imported sources of energy.

The study reached a number of conclusions. Policies that raise oil prices by moderate amounts (decontrol and the tax on crude) increase the efficiency of the economy in the long run and raise the GNP per capita. Policies that seek to increase the supply of alternatives to oil (e.g. coal subsidies) are ineffective both in increasing employment and in reducing U.S. energy dependency. Most importantly, the least-cost strategy for reducing energy imports dramatically is complete decontrol of the domestic crude oil and natural gas industries. One hopes that the new president and Congress will pay some attention to these results.

SOURCE:

- "Energy and Jobs: A Long Run Analysis," John Cogan, M. Bruce Johnson, and Michael P. Ward, International Institute of Economic Research (1100 Glendon Ave., Los Angeles, CA 90024), July 1976.

FULL DISCLOSURE?

City governments are not giving taxpayers and investors in municipal bonds the same kind of consolidated financial statements that corporations are required to publish. And present local government accounting procedures are "largely irrelevant for standards of reporting to the public." So concludes a report issued by Coopers & Lybrand, one of the Big Eight CPA firms, and the University of Michigan.

The report is based on a study of financial disclosures by 46 of the country's 50 largest cities. It compares the 1974 financial report of a typical large city with that of General Motors, and finds reams of meaningless city data compared with succinct but detailed data from the corporation's report. The typical city report conceals far more than it reveals, including such key financial matters as the extent of unfunded pension liabilities. Out of the 46 cities surveyed, 76 percent failed to reveal the actuarial value of unfunded pension liabilities—which totaled over $1 billion in several of the cities. Some 84 percent did not disclose the accrued cost of vacation and sick leave benefits. Over half failed to show lease obligations, and one-fourth did not compute the value of long-life assets such as buildings and heavy equipment.

The Federal government, via the SEC, has enforced rigorous disclosure requirements on private industry, only to let the public sector off scot-free. The report recommends that the states or the Federal government impose uniform disclosure requirements on local

governments, similar to those required of industry. Taxpayers would do well to make the same demand.

SOURCE:

- "Defogging the Cities' Financial Reports," *Business Week,* Oct. 4, 1976, p. 36.

TRANSPORTATION NEW-THINK

The old liberal panacea for solving urban transportation ills—multibillion dollar mass transit systems—is coming into question, and market-oriented approaches to transportation are suddenly being taken seriously. At least that seems to be the trend in California.

A study of the highly-touted Bay Area Rapid Transit system by the University of California at Berkeley describes BART as "a fundamental mistake." The $1.6 billion system is extremely costly (fares cover only one-third of the operating costs) and has attracted few riders, because it sacrifices the features commuters want most—door-to-door, no-wait, no-transfer service—for high top speeds and technological gimmickry. The BART experience, says the study, should be viewed as a warning against building "a series of multi-billion dollar mistakes scattered from one end of the continent to the other." Study director Melvin Webber thinks the only way freeway congestion can be improved is by such means as jitneys, subscription buses, and franchised van pools.

Such heretical ideas are embodied in the new draft state transportation plan of the California Transportation Board. Included in the plan are such ideas as freeway user charges and incentives for increased use of jitneys, car pools, and van pools. The City of Berkeley is proposing a user charge of $1 or $2 per day for use of local streets, and the state transportation secretary is encouraging other local governments to consider the idea.

Cal Trans director Adriana Gianturco is a strong proponent of jitneys, noting their widespread use in Los Angeles early in this century, until outlawed by the state under pressure from trolley car systems. Jitneys exist all over Europe, she notes, and are extremely effective and cheap in providing urban mobility. In general, Gianturco favors eliminating the distortions caused by government transportation subsidies (e.g. roads vs. rails)—by eliminating the subsidies. She questions continued expansion of both freeways and mass transit systems. The alternative? "I think we ought to have a lot more free market activity in transportation and not heavily subsidized government programs," she states.

SOURCES:

- "Car Lovers Giving BART a Bad Time, Study Finds," William Endicott, *Los Angeles Times,* Oct. 5, 1976.
- "State Plan Favors Buses, Car Pools," AP (Sacramento), Oct. 1, 1976.
- "Should motorists Pay a Road Toll?" *Ibid.,* Oct. 27, 1976.
- "New Cal Trans Chief Moves Out of Fast Lane," *Santa Barbara News, & Review,* Oct. 8, 1976.

GOVERNMENT VS. PROSPERITY

What many free market economists have long contended is now being documented by extensive empirical data: the larger a country's public sector, the smaller its rate of real economic growth. These findings have recently emanated from such sources as the Hudson Institute Europe, England's National Westminster Bank, and the Bank for International Settlements. Although the studies differ in detail, the general conclusion is that the expansion of the public sector has cut growth rates by as much as one-third in the past 15 years.

The principal reason for this result seems to be a "crowding-out effect"—i.e., a larger public sector requires higher taxes which reduces the amount of wealth going into capital investment. The Hudson Institute has found a significant causal relationship between a rising income share for public spending and a lower share for private investment. David Smith of the National Westminster Bank estimates that each five percent increase in disposable income absorbed by state consumption implies a one percent drop in the growth rate.

The public sector keeps increasing, of course, because of political factors. Recessions provide a powerful incentive for increased government spending, but prosperity seldom, if ever, leads to corresponding spending decreases. Hence, a kind of ratchet effect comes into play. Alexandre Lamfalussy, chief economist of the Bank for International Settlements, concludes that "in many advanced countries, taxation seems to have approached or exceeded the limits of economic efficiency." That's putting it rather mildly. Nevertheless, it's encouraging to see the growing realization of the pernicious effects of expanding government.

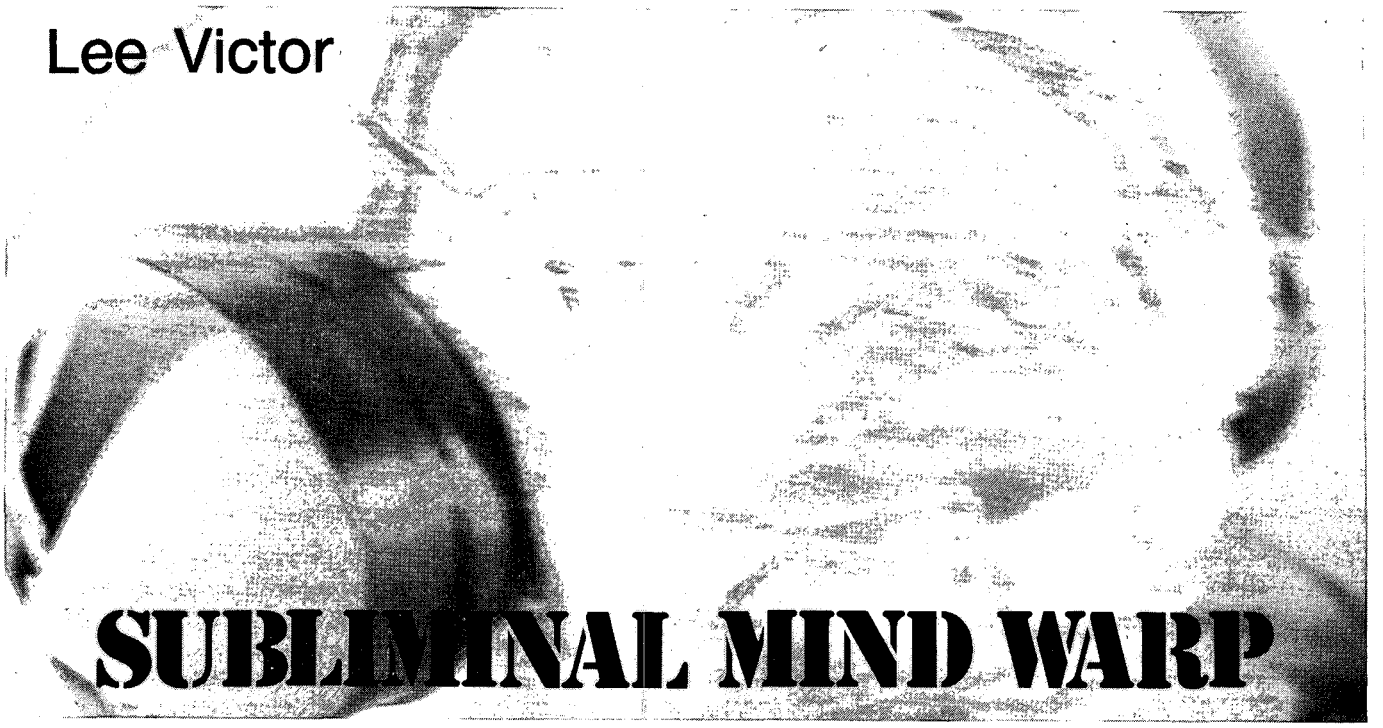
SOURCE:

- "Government Growth Crowds Out Investment," *Business Week,* Oct. 18, 1976, p. 138.

MILESTONES

- *Free Choice Upheld.* The right of individuals to choose their own medication was recently upheld in a Federal appeals court. The 10th U.S. Circuit Court of Appeals ruled that Oklahoma district court judge Luther Bohanon had not exceeded his authority in allowing cancer victims to purchase Laetrile, despite the FDA's ban on the substance. Bohanon's decision, which found the FDA's position unconstitutional, therefore, stands, unless the agency appeals to the Supreme Court and wins. (Source: "Appeals Court Upholds Judge's Laetrile Ruling," UPI (Denver), Oct. 13, 1976.)
- *Decriminalization in Maine.* The Maine legislature has enacted a new criminal code which repeals the state's prohibition of adultery, cohabitation, consensual homosexual acts, and social gambling. These changes accompanied the more widely reported reduction of the state's penalties for marijuana possession to a small fine. One hopes that as Maine goes, so will go the remainder of the nation. (Source: "Maine Legalizes Victimless Crimes," *Ergo,* Sept. 22, 1976.)
- *Grim Tax Facts.* Although the cost of living has gone up 5.6 percent in the past year, the average Federal tax bite has increased *23.4 percent* over this time period, according to the government's own Department of Labor. That figure applies to the average worker in private industry supporting a family of four. The increase is due to higher Social Security taxes and the impact of moving into a higher income tax bracket as one's income increases. One consequence is that the average worker's buying power has gone down 0.3 percent in the past year, despite the much-vaunted economic recovery. (Source: "Fastest Growing Pay Bite—Taxes," AP (Washington), Oct. 4, 1976.)
- *Counterproductive Law.* Yet another oppressive law has been found to produce perverse consequences. New York's tough 1973 drug law, which stresses mandatory penalties, reduced plea bargaining, and stricter definitions, has actually resulted in *fewer* prison terms being handed down than under the old law it replaced. An outside evaluation of the law's effects found that "The risk of punishment facing offenders did not increase noticeably . . . the speed with which cases were processed did not improve." The law *has* succeeded in accomplishing at least one objective: it has increased the size of the judicial establishment. Over $55 million has been spent to hire new judges and other personnel. (Source: "N.Y. Drug Law Not Working, U.S. Says," AP (Washington), Sept. 9, 1976.) ◻

Lee Victor



SUBLIMINAL MIND WARP

As everyone knows, some sounds are pleasing, and others are not. Chalk drawn across a blackboard can send chills down the spine automatically; canned "muzak" evokes a mood that makes many shoppers more amenable to purchasing goods.

Automatic though our responses to these sounds may be, we at least have the satisfaction of hearing them. Some sounds, however, are too low or too high to be detected by the human ear. These sounds are known as "infrasound" and "ultrasonics," respectively.

The following article describes an experience with the unsettling uses to which the government now appears to be putting ultrasonics. For the author, a respected businessman who in the past held a highly sensitive military post, the experience began innocently enough. But it soon turned into a nightmare in which abject terror and euphoria could be induced in him at the push of a button.

REASON went to considerable lengths to establish the truth of the story, including an on-site visit to the experimental facility in question. We researched 15 years of published materials on the effects of ultrasonics upon human behavior, and consulted leading authorities in the field.

The research was frustrating at first. Officials at the experimental facility denied the story, although one did concede that the effects of inaudible sounds were of interest to the agency's scientists. The library at the test facility contained numerous works on ultrasonics, but little on their physical or psychological impact.

A search elsewhere of published materials on ultrasonics proved to be more rewarding. The destruction wrought by high-intensity ultrasonics is well-documented; in experiments with mice, Dr. F. J. Fry of the University of Illinois has created extensive lesions in the brain of the animal. Lesser intensities suppress electrical activity in the central nervous system of the subject.

The impact on humans has also been tested, although to a lesser degree. Studies by the Institute of Sound and Vibration Research at the University of Southampton, England, discovered that workers exposed to ultrasonics from industrial dishwashers displayed a number of symptoms. In a 1967 article published in the British Journal of Industrial Medicine, *the study group concluded that the inaudible sounds caused nausea, fatigue, ear complaints, and headaches persisting for several hours after exposure to the ultrasonics. Since the authors seemed to be even more susceptible to the symptoms than the workers, they speculated that the workers grew somewhat acclimatized after repeated exposures.*

Aerospace medical researchers in the United States report similar effects of inaudible sounds upon behavior. A paper released in 1971 by Dr. Walter Grether, of the U.S. Air Force, did not explore the results of high-intensity ultrasonics, but it did contain intriguing information about the effects of infrasound—that is, vibrations too low to be audible. Nausea, giddiness, and impairment of motor ability were among the consequences observed.

Dr. Karl Kryter, a noted authority on sound who is now based at the Stanford Research Institute, told REASON that infrasound has the ability to do great damage to the body. If the intensity and frequency are right, he said, the sound can "splatter" organs such as the brain and the eyes. Members of the Psychology Department at the University of California at Santa Barbara concur that infrasound can do bodily harm, and even kill.

Dr. Kryter expressed some skepticism that ultrasonics are capable of inducing sudden shifts in mood states, noting that high-frequency sounds lose strength rapidly when traveling through the air, and that skin and hair block much of their remaining energy. He added that ultrasonics of a constant pitch seem not to affect human emotions.

But Dr. Kryter did leave the door open for a technical explanation of the incidents described in the article. If the ultrasonics were of high intensity and transmitted at close quarters, they could penetrate clothes, hair, and skin. And if the high-frequency waves were modulated to increase and decrease in intensity at a low rate, they might create resonances similar to those of infrasound—upsetting electro-chemical activity within the brain.

Because the agency in question has power over his livelihood, "Lee Victor" requested that we use a pseudon-

ymous author's name and disguise the identity of the research facility. We have agreed to his request to remove the likelihood that he would face retaliation for his disclosures.

The ad seemed innocuous enough: "Volunteers wanted for isolation study. Twenty day simulation of underwater habitat. Apply at Archer Facility."

The extended period of free time would give me a chance to catch up on a backlog of reading and writing. It would be a very simple experiment. I applied. After two months of interviews, I was accepted as one of a three-man crew to participate in a make-believe undersea voyage. My responsibility involved little more than being isolated in a land-based compartment with two other men, age 27 and 32, and to make changes to our captive environment as we saw fit. Every day, a psychiatric research technician would drop by to chat.

The voyage would become one of the strangest experiences of my life.

As I walked into the test chamber at Archer, I became aware of a presence, a pervasive pressure which made me feel as if I was walking through layers of cobwebs. The cobwebs were only there subtly, and seemed to involve my mind more than any physical state of being. I shrugged the sensation off as being little more than first-day nerves in a new environment.

After meeting the other two participants, I was shown my cabin—a small room with a single bed. For the first five days of the voyage, we were to interact; the next 10 we would be isolated in our cabins; the final five we would again interact. Simple enough. A straightforward socio-environmental project—or so I thought.

Not long into the first day, I began to have strange episodes of paranoia—were the other two laughing at something I innocently did? Would we really be let out after 20 days? These flashes of paranoia ended almost as soon as they came on. Strange—not my usual way of dealing with people in new situations.

Well into the second day, the cobwebs became more insistent. I began to sense that the area was flooded with high frequencies—at a pitch too high to seem anything more than a slight ringing of the ears. As I grew accustomed to this, I also found—to my bewilderment—that I was unable to carry on any lengthy or meaningful conversation. Two days, and none of us had yet shown the slightest interest in interacting, except for an unexplainable subdued hostility. As a result, we tended to spend most of our time in our own cabins, doing little more than that.

The nights passed quickly. Our day/night cycle was set by a timer: lights went off immediately at 11:00, and turned on at 7:00. The first four nights, sleep came almost instantly after lights went out. The transition from wake to sleep was instant, and the nights were dreamless.

The fifth night, there was a difference. Sleep didn't come immediately. I lay awake several minutes, letting thoughts run through my mind. The pressure in the air seemed to be letting up somewhat. I'd almost felt like being sociable that day. And my thoughts began to come easily again. With the sense of well-being that comes with knowing that strange behavior is imagined, I drifted off towards sleep . . .

. . . and at the moment of sleep experienced a profound panic, a wrenching shattered-glass terror which physically jolted my body. It lasted thankfully but an instant, and left me drenched in a cold sweat.

Abject terror and euphoria can be induced at the push of a button.

No sooner did my mind comprehend what had happened, than I smiled peacefully—and slept.

The morning after, I awoke feeling quite everyday normal, had breakfast in my room, and got out a book to read. This particular morning, though, I just didn't feel like reading. So nice to lie back and let my eyes close. A little nap and sink into that delicious drowse that wouldn't let go. Roll onto my stomach. Someone walking into my room? They won't mind if I sleep. Banging a metal pitcher? Silly of them. They could see I was asleep and feeling so good. I'd open my eyes but why bother? Just lay on my stomach feeling good.

Four hours later, asleep, lying on my back straight, hands down by my side, eyes closed until—they opened to see Len the research technician step into view at the doorway, smiling. "Hi, have any unusual emotional experiences lately?"

"Yes," I beamed from ear to ear. "Last night I had an acute sense of terror, of panic. But it didn't last long. It passed and then I smiled."

"Well, sometimes when we get into new environments and the lights go out, we revert to childhood fears of darkness . . . ."

I was very happy. If I had a chance to take part in a similar study again, would I? Oh, absolutely. Enjoying myself thoroughly. You ought to try it. Bye.

With the euphoria came a sense of great clarity. I perceived aspects of my environment, in my little room, which before had gone unnoticed. I found it difficult to write creative thoughts, but my perception was heightened.

Although I'd barely noticed them at first, I now took another look at some peculiar brass buttons on the walls in my room. There were three of these buttons, and they seemed out of place. Everything else in the room had an observable function—the call light, the radio, light switches—all but these three buttons. I thought again of the frequencies and, by focusing my hearing, I could faintly make out three or four very high frequency tones, pulsing in and out, intertwining, changing pitch every now and then, sometimes persistent, other times intermittent. Very high frequencies—at the edge of hearing.

From this point on, I was constantly aware of the frequencies. Once I'd plucked them, they were always within my grasp. I knew how to listen for them. One step beyond sensing *that* something was there, I became acutely aware of *what* was there. I could hear them playing with my mind—moving it, coming in and going out. Somewhere out there was a master organist, and I—I was the choir, singing his tune.

Being aware, I understood.

Whether because I was aware, or because it was necessary, the next night I felt them. The sixth night was the only night I felt the frequencies, aside from the constant subliminal pressure which stayed with me throughout the project.

At lights out, I settled in to sleep, with no concern that there might be another night of terror. Waiting to sleep, I heard the tones become more insistent. They increased in intensity, making calculated overtures to my mind. And they came into my mind. The feeling began at the base of my skull, somewhat pleasant, disturbing only in that I could not sleep. Like a skilled masseuse, the feeling massaged my brain, from my neck to the top of my head, from my neck to the top of

my head, over and over, deeper and deeper. I could not sleep. I was not allowed to sleep. My eyes could not close. I was completely clear-headed. For an hour, two hours, I was massaged and lay awake. Only when the feeling left—slowly, quietly—did I sleep.

I was no longer euphoric. Just a state of extreme well-being and happiness. The mornings began instantly on awaking. It took little more than five seconds after lights on for me to come to complete awareness and clarity of thought. There was no morning fog from the night before. With awakening came clarity.

With the state of well-being and clarity came an unbelievably rapid passage of time. While time can be very subjective in isolation, the confinement of 10 days passed as a single day. I floated through the days, only gradually coming down as the tenth day approached. There was no distortion of senses, no drugged feeling—just a very distinct sense of well-being, and no time.

The one night of brain massage had modified my bio-cycle. For the rest of my stay, I never returned to a normal sleep/wake rhythm. For the duration, although there were no more brain massages, it took an hour or two to sleep, even though I'd wake up instantly and clear-headed at lights on. I had no sense of tiredness. Some parts of my mind were no longer mine to control.

The last days were spent in an apparently near-normal psychological state, though the frequencies remained. While our time was kept busy working on the primary experiment (modifying the environment to suit our taste), I did have a chance to speak with the other two of their experiences.

They both concurred that they had experienced the same general feelings, and each had felt the most vivid of the states-of-consciousness: the paranoia, terror, extreme clarity, and the brain massage.

As I walked into the sunlight after 20 days of isolation, I could feel no difference from any other normal day in my life—except the memories.

* * *

A BRIEF INTERVIEW WITH "LEE VICTOR"

REASON: In the article you speak of some indications which let you know of the existence of the high frequencies. Were there any other indications?

VICTOR: Yes, several. At one point in the experiment I wandered into an unoccupied room. The room was unfinished (as I indicated, they had recently remodeled the facility) and there were some cables hanging from the wall. As I got in line with one of the coaxial cables, I could easily detect a stream of quite audible high frequencies, of the nature that I'd been experiencing, except more powerful and very directional. Apparently the brass buttons served to generalize the directiveness of the cable. I called in one of the other subjects to corroborate my perceptions and he concurred. We were quickly taken out of the room by one of the attendants.

In another instance, a female aide was having a light conversation with one of the other subjects. The subject was speaking of his brother, who had a metal plate implanted in his skull because of an epilepsy problem. She mentioned in reply that they'd had a subject in a previous experiment who had a metal plate in his skull, and that the experiment hadn't worked with him. Then she quickly caught herself and changed the topic of conversation. This is significant in that high frequencies are conducted through bone marrow, and don't require the ear itself for penetration. A metal plate would apparently disturb this conductive process.

> The ostensible need is to control the behavior of long-duration voyagers — submariners and astronauts.

REASON: Why would they be conducting such experiments in the first place?

VICTOR: There are beneficial reasons for wanting to retain behavioral control over a person. Long-duration voyages which involve some element of risk may benefit from a link of the voyager to a ground-based communication and control center. Astronauts and undersea mariners would be particularly suited to this method. For instance, if an astronaut en route to Mars were sleeping, and Earth control were to detect a malfunction in the space capsule, it should have the capability of awakening the astronaut and placing his mind at instant alertness.

REASON: That makes sense; but why would they need to experiment with such emotions as terror and hostility?

VICTOR: I don't know, I can only speculate.

REASON: What agencies would most likely be experimenting with this technique?

VICTOR: Since the ostensible need is to control the behavior of long-duration voyagers, I would guess that the Navy (submariners) and NASA (astronauts) are most interested. I do know that both agencies are experimenting with behavior control. As for the interests of other government agencies—again, I can only speculate.

REASON: Do you know of any other experiments in behavioral control being undertaken by either of these agencies?

VICTOR: Yes. Both NASA and the Navy have experimented for some time with behavioral control through the use of ionized air. It's been well publicized that a certain mixture of ionized air will produce a state of very positive behavior, while another mixture will produce exactly the opposite effects: negative, undesirable behavior.

REASON: Should the average person be concerned about this use of frequencies?

VICTOR: If there were any indication that everything was being done honestly and above-board, I would say there would be nothing to fear. But given the secretive nature of the experiments, the current state of our nation, and the corroborative experiences I've had, I have to say that it looms as a frighteningly powerful technique in the hands of an organization which has indicated many times its intent to control those individuals who assert their independence from it. Yes, until the capabilities of this technique are brought out into the open, and until every person knows how to be aware of its presence when it's being used, I would say it calls for concern.

REASON: How does one become aware of the presence of these frequencies?

VICTOR: Aside from knowing what to listen for, I would guess an oscilloscope and a very sensitive microphone are the best we can do for now. But I notice the U.S. Embassy in Moscow has simple hand-held microwave monitoring devices to detect the level of microwave radiation the Russians are pouring into the Embassy. It shouldn't be too difficult to detect these frequencies in the same manner.

REASON: Thank you. ◻

John E. Bailey, III

During the ferment of the sixties and early seventies a new movement of school reform surfaced to challenge the public schools. Essentially, the reformers have made two criticisms—public schools are immoral and they are unnecessary. Their immorality stems from their reliance on force and coercion to supply them with students and operating funds. Compulsory school laws have been used to force children into the schools in order to be exposed to the values current among the political majority. At the same time, parents and others are compelled to support the public schools whether those schools support their aims or not. Increasingly, the arguments used

to legitimize this force have come under fire.

Proponents of public education have argued that it is necessary because democracy requires an informed citizenry or because some parents would fail to provide for their children an adequate education. Recent studies have demonstrated, however, that the schools do *not* produce an informed citizenry. A group of researchers at the University of Texas found that roughly one third of American adults have the skills to function competently in everyday life; another third can get along marginally; while a final third simply can't make it. In studies of political and economic awareness, Americans are consistently found to be ignorant of the basic processes of both their political and economic systems. Nor do the schools do well with those children who might be neglected by their parents. Both low-income and minority children do consistently worse than their upper-income counterparts. The public schools fail with most children, and fail even worse with the children who presumably need their services most.

While many reformers attempted reform, others chose to work for a voluntary alternative to the tax-supported, compulsory public schools. In a burst of enthusiasm, it seemed to many that the future was now. Education would be freed. It would become responsive to the wants and needs of the students, the parents, and the teachers. But with bills to be paid and floors to be swept, the enthusiasm faded and the hopes dimmed. Many look upon the public schools as an unbeatable monolith, yet it seems they are giving up too soon. A number of trends are putting increasing pressure on the tax-supported system of schooling. Over the next generation the virtually unchallenged preeminence of public education will be eroded. The initial process will be slow, but as momentum builds, opportunities to expand the voluntary sector will increase dramatically.

First let's look at trends in the market that are likely to enable voluntary education to broaden its share of the market. The most significant is the money that a family can spend on voluntary education. That money is a composite of two other factors—the number of children per family and the family's real income. By dividing the money available for voluntary education by the number of children in the family, we arrive at the amount available per child. This amount has been rising substantially in recent years as, per family, the number of children declines and the amount of real income increases. Figure 1 illustrates this relationship. Families at increasingly lower income levels have the option of voluntary education that was previously available only to the rich or at great sacrifice. Of course this trend only means that the money is available. It does not guarantee that it will be spent on voluntary education.

Nevertheless, changes in the makeup of the population are working to make it more likely that parents will choose voluntary education. Parents themselves are attaining higher levels of education, reflecting increasing demand in the economy for so-called knowledge workers. Parents are becoming more sophisticated educational consumers, and education is becoming an increasingly necessary service. This trend is reinforced by the ever-higher proportion of work-force participation by married women with children. If both parents work, this increases potential educational dollars per family and boosts the need for the educational system to handle many of the tasks undertaken by parents when one or both worked in the vicinity of the home. Combine this with the rising dissatisfaction with the public schools, and the result is a substantial potential market for voluntary education. But that market will materialize only if voluntary education can satisfy the needs and wants of consumers of education.

Voluntary education is likely to be assisted in that task by a technological revolution in education. Over the past 40 years, and especially in the last 10 or 20, knowledge about human beings and the way they learn and develop has exploded. Most of this new knowledge is yet to be applied. When it is, and when it is combined with new machine technologies and managerial techniques, the effect will be dramatic. Costs will probably be brought down by half or more at the same time as the quality of education is substantially improved. If this occurs it will bring voluntary education within financial reach of virtually anyone interested in it.

What direction is this revolution likely to take? By building expertise into instructional materials, the roles of teachers and students will change. Education employs essentially the same methods as did the earliest recorded schools of the ancient Sumerians. The teacher still stands in front of the class and lectures. The most effective way to transmit information, however, is through books, audio tapes, films, television, and other instructional materials. The teacher is best exploited in the uniquely human ability to solve problems. Today's teacher is so busy lecturing that there is no time to work out the learning problems of individual students. The result is that many students go through their entire school career learning little, producing the farcical scene of high school graduates who can neither read nor write.

The role of the student, too, will be revolutionized. It is clear that in a properly conducted and supplied school the student can not only take on more responsibility for his own learning but can also help his fellow students who know less than he does about the particular subject. And the helping student is often helped the most—in his knowledge as well as in self-discipline and self-concept.

Thus there are a number of trends within our society that are making it possible for a greatly increased number of people to opt for voluntary education. This is so even if they must continue also to support, through taxes, the public system.

Yet there are also trends working in the political sphere against tax-supported education. The most important one has, in effect, already occurred. It is the shift in the age structure of our society. Increased life spans combined with lower birth rates are

	1950	1973
Total Family Income	$5,826	$10,053
Less Necessities	-4,170	-7,026
Balance	1,656	3,027
Divided by the Number of Children	÷1.54	÷1.48
Available per Child	$1,075	$ 2,045

*All figures in constant 1958 dollars.

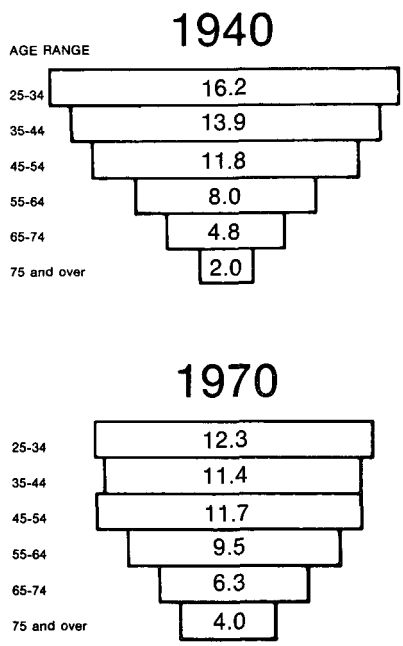
Source: U.S. Bureau of the Census. *Statistical Abstract of the United States, 1974.* Washington, D.C., 1974.

Figure 1. Money Available for Voluntary Education*

moving the United States from a pyramid-shaped age structure to one that looks more like a rectangle. This is illustrated in figure 2. To understand the implications of this trend, consider the political process. Unlike that of the market, it tends to be responsive to the largest group at the expense of smaller and politically less potent ones. In the political context, this means the groups of voters. Up to this point the tax-supported school system has not been a terribly inequitable system. At any given time most of the taxpayers were also parents and thus received some benefits from the system. But as figure 3 illustrates, the shifting age structure increases the proportion of the voting population not receiving benefits. This trend will be reinforced considerably with increases in the number of parents not sending their children to public schools. This shift takes time to operate, but over the next 40 years a situation will evolve in which most of the voters in any given election are not gaining from supporting the tax system. This poses the real possibility of its being cut back radically.

Another factor that is likely to have impact on the political situation is the increasing resistance of the electorate to higher taxes. Taxes are very close to the upper level that is acceptable. Thus the schools cannot expect much in the way of increased taxes. The public schools' problems in this area are compounded by the fact that their share of the tax revenues have risen quite dramatically in the last 20 years (see figure 4). While part of this rise is due to a greater number of pupils and the growth of real wealth in the country as a whole, public schools have also increased their total share of the tax monies. More money has allowed them to defuse some of the problems that are facing them, but that solution is not likely to be available in the future.

FIGURE 2
UNITED STATES AGE STRUCTURE



Source: U.S. Bureau of the Census. *Statistical Abstract of the United States, 1974.* Washington, D.C., 1974.

Thus there are a number of trends within the political sphere that are likely to weaken the public system's access to tax money. In the short run, the schools will probably be unable to obtain the increases in money to which they have been accustomed over the last two decades. During the next 20 to 40 years the changing age structure is likely to substantially erode their base of political support. This latter trend will be gradual for a while, but once most voters are not receiving benefits and a substantial number are bearing a double burden, it will speed up considerably.

The public schools have more immediate problems, as well, mainly with the issue of who is to run the schools. This controversy has been explicit in New York City, where minority-group parents have fought with the school bureaucracy as well as the teacher's union. It is also at the heart of the fight over school textbooks in Kanawha County, West Virginia. Parents with strong religious convictions rebel against the texts supported by the more secularly oriented parents who constitute the majority. The most important expression of this battle is that between the parents and the Federal courts over busing to achieve racial balance. The issue of school prayer is another problem that is a low-level but continuing source of conflict. The separation of church and State required by the U.S. Constitution prohibits any official (school-sanctioned or

FIGURE 3
CHANGING AGE PATTERNS: 1900-2000

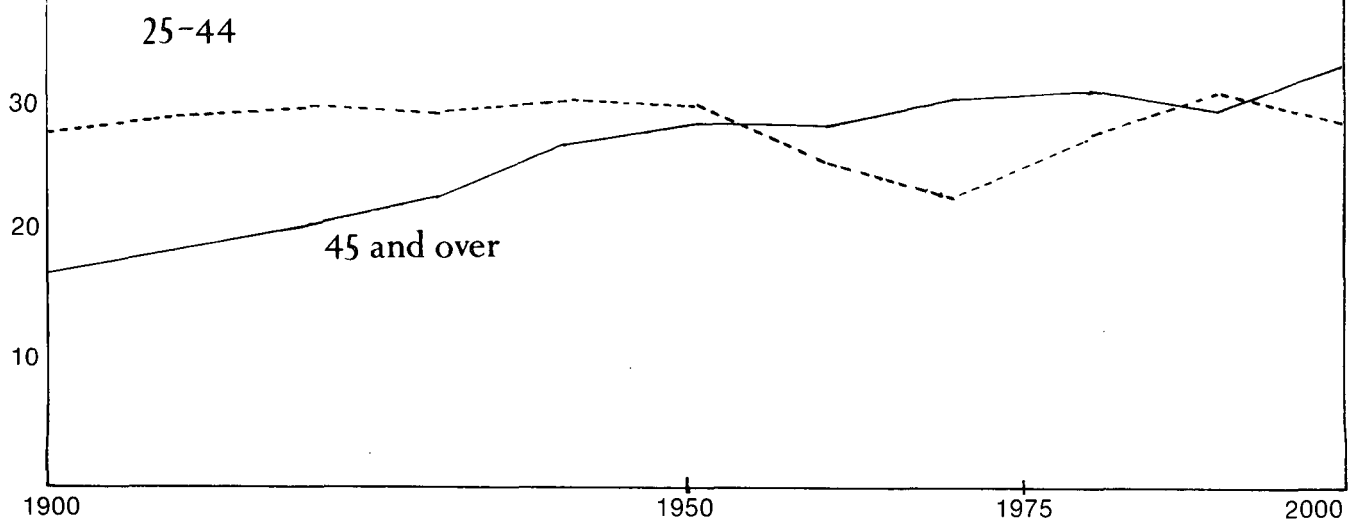
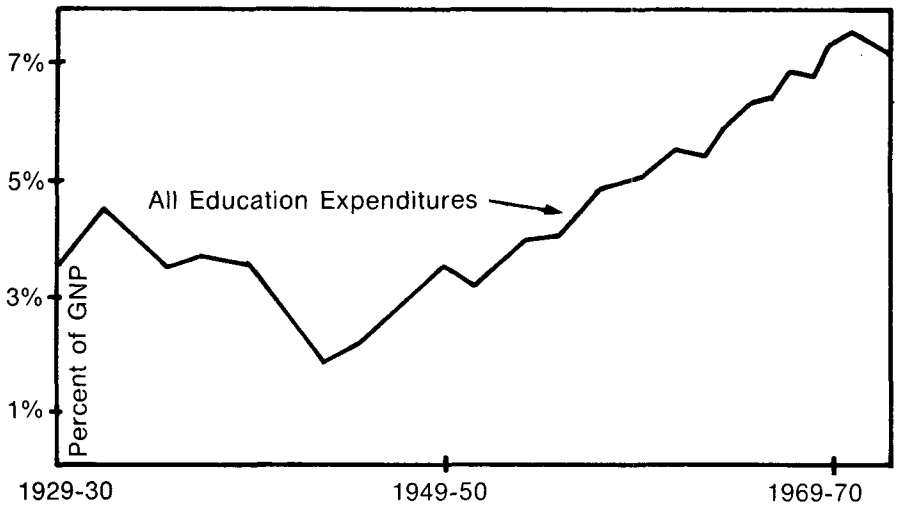


Figure 4. Education Expenditures as a percent of Gross National Product. (After Andersen, 1974).



-initiated) prayers in the government schools. At the same time, a large segment of the population favors such prayers. It is unlikely that either side will change its position. These conflicts have had an effect on public opinion. A recent Gallup poll shows that popular support for public schools is eroding, most strongly among the young and the better educated.

There is probably a tendency among people within the voluntary school movement to underestimate the public schools' ability to react. There are very large numbers of good people within them working hard to produce quality education. They are bright and concerned. In addition, although public support is eroding, it is vast. Most people were educated in public schools and continue to support them. Finally, they do have the advantage of being able to offer their product to the consumer at no apparent cost since they are financed from tax revenues. All these factors militate against the inspiring trends.

On the other hand, people operating in the public schools face real difficulties. Precisely because the schools are a creature of the government they are intimately involved in the political processes that surround it. This means that they have to be responsive to the dominant political group. While this is in some sense as it should be, it does make the tax-supported schools unresponsive to the diverse groups that are in the minority—racially, politically, economically, or whatever. As more groups achieve the political and economic means to enjoy alternatives, the schools' problems are complicated further.

Political involvement also makes for considerable difficulty in implementing innovations. Typically, the community does not support novelty, and the major innovations that do occur are the result of short-term school-board majorities. These coalitions usually come unstuck, resulting in the cancellation of the innovation.

An additional handicap faced by the public schools is their bureaucratic structure, inevitable as a government agency. Bureaucracies are infamous for their resistance to change. With the schools, this resistance in large measure flows from the incentive structure. For teachers, monetary incentives encourage longevity in the job and a higher level of formal education. There are no rewards for better methods of teaching or better student performance. The only way to advance is to get out of teaching and into either administration or higher education. Many educators recognize this problem, but the situation itself compounds the difficulties of remedying it. Efforts toward its solution have been largely ineffectual to date.

The problem of incentives is of course compounded by a lack of understanding of the change process, by tenure, and by the relationship between the schools and the teacher organizations. Together these factors work to insure that change will be a slow and agonizing process. As if this were not enough, the declining rate of growth in the number of children of school age means that there will be little hiring of new teachers. Even that route for introducing change will be largely closed.

Thus the tax-supported schools are faced with the problem of attempting to meet a changing situation with essentially the same people in the same structure and with little in the way of a mechanism for internal change.

On the other hand, there are considerable incentives to continue the development of innovative processes. Part of the great sums devoted to education over the last few years have gone to create a considerable educational research establishment—educational laboratories, university centers, and individual researchers. Their reason for existence lies in educational change. While they will doubtless be cut back somewhat with the lower emphasis on education, their mere existence as a pressure group will insure them of some support. Also, there is an important commitment to research and development that will prevent their being wiped out. The new processes and products developed by these centers are likely to point to defects in the current system. Thus while the schools are unlikely to be able to change easily, the educational research people, also largely supported by tax money, will be constantly pressing for change. The resulting conflict will probably further erode not only the public's confidence in the schools but their own confidence in themselves.

Overall, there is likely to be a continuing commitment to change accompanied by little actual innovation. The pace of change will slacken considerably from the not very high levels of the sixties and early seventies. The economic problems of the mid-seventies are likely to bring about a marked slowdown from which there will be only a gradual recovery.

We can conclude that over the next two generations the tax-supported schools are likely to be weakened on two fronts. Their basic political support base will be slowly undermined as the age structure evolves, and they will be faced by an educational situation changing rapidly in important ways. Adaptation will be hampered by the resistance to change built into being a bureaucratic component of a political system. At the same time, the public schools will retain massive strength simply by virtue of their access to tax funds, which allows them to provide a product at no apparent cost to the consumer.

The voluntary schools will hasten the political problems faced by the tax-supported schools to the extent that they are able to develop viable private, voluntary alternatives. Growing numbers of parents who must bear the double burden of taxation and support of a voluntary alternative will more than proportionately increase the pressure for relief from the tax

burden. To the extent that alternatives are available to many groups across the social and income spectrums, the political impetus for change will be strengthened.

Creating a viable private voluntary alternative, however, is not easy in the face of the remaining strengths of the public system. Simply attempting to do exactly what the public system is doing is futile. People interested in voluntary education have to develop an opportunity-seeking orientation. They have to address the needs that are not being met. They have to find the cracks, the interstices, that the public system ignores. They have to revel in the diversity that the public system abhors. From their successes in the areas that the public system is unresponsive to, they can draw the strength to move into ever more direct competition with the tax-supported schools. And they can do it successfully.

The public schools arose in the 1840's partly to replace a decaying apprenticeship system and partly to satisfy the native American majority's desire to inculcate their values in the growing number of immigrants. That context is gone, and those purposes are long forgotten and dead. Americans are more tolerant and even proud of the variety of cultures and points of view that coexist within American society. A system of voluntary schools can arise in this new context to provide diversity within education. Voluntary schools can offer a variety of styles of discipline and teaching methods to satisfy parents whose interests lie in a traditional, basic-skills orientation as well as parents who are more concerned with the social-emotional growth of their children. Different approaches are possible for value-laden topics such as sex and religion, where conflicting viewpoints simply cannot be accommodated by one approach. Beyond diversity, voluntary education can offer *better* education. When students and parents can choose between schools, each school must pay attention to each client's aims and desires. This is a powerful mechanism for making schools accountable. As schools are held accountable for their performance, their incentives for being effective are increased. As they strive for more effectiveness, educational change becomes not a task but an opportunity.

Whether or not the public schools can coast on, protected by their government status, depends on the voluntary schools' response to this opportunity. An increasingly centralized, bureaucratic structure has robbed the public schools of their ability to act. The opportunity and the challenge are in our hands. The decisions are ours, not theirs. The work and thought are ours to take on. The future is the prize. ◻

John E. Bailey, III is a graduate student in educational psychology at Nova University in Fort Lauderdale, FL. He is interested in educational change through market mechanisms.

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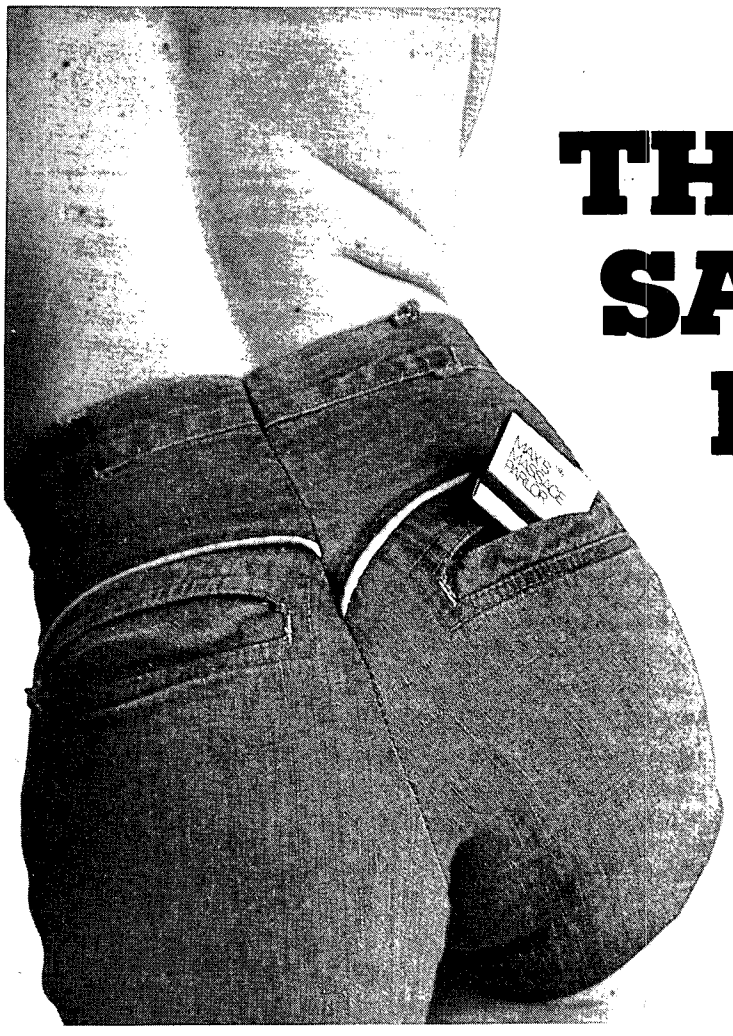


THE SALESMAN IN YOUR POCKET

Irwin Ross

On his first day in America, a European walked into a tobacco shop and asked for a pack of cigarettes. As he was about to hand over his money, he noticed that the clerk had included a match book with his purchase.

"No, thank you," he said. "Matches I still have. I bought on the ship."

"You might as well take them," the clerk smiled. "They're free, you know."

The European was at first incredulous, then delighted. For matches are by no means taken for granted in Europe, where most governments have monopolies over them and matches are often poor in quality and hard to find.

In the United States, tobacco dealers, restaurant cashiers, druggists, and hotel clerks will hand out billions of matchbooks this year to millions of Americans. And in spite of the fact that nine out of ten are given away free, these little booklets make money for practically everyone who touches them.

It has become so profitable to give away matches that industries in practically every conceivable field vie with each other to see who can hand out the most. Scores of dry-cleaning establishments slip a matchbook into the pocket of every suit they return. Many businessmen watch the birth reports in the daily papers so they can send matchbooks labelled "It's a Boy" or "It's a Girl" and carry advertisements of their products to new parents.

Not content with giving out *matches* free, some advertisers even clip their products to the booklets. That is how Gillette blue blades were introduced—a sample blade attached to each of five million matchbooks. Cough drops and chewing gum have been hidden under the covers, and perfume companies have impregnated matchbooks with their odors.

Individuals, too, have tried matchbook advertising. Following World War II when many families could not find apartments, they told about their needs on matchbook covers—and got results.

Some 250,000 firms spend $100 million a year to supply America with free matches. Extensive surveys have shown them that their money is well spent. They know that less than one booklet in 1,000 is thrown away before its matches are used up, so that virtually all have a chance to win friends and influence customers 20 times. They know that three out of eight Americans can name the advertisers on the matchbooks in their pockets. And they know that an advertising campaign on matchbooks can double, triple, and quadruple sales if it is kept up long enough.

The paper match was born about 80 years ago on a potbellied stove in the office of Joshua Pusey, a Philadelphia patent attorney. One day it occurred to Pusey that the wooden matches then in general use are quite troublesome to carry in the pocket. Paper burns as well as wood, he reasoned, and doesn't take up as much space. One morning he got together the chemicals used in making matchheads and proceeded to brew them on his office stove. Then he borrowed his wife's scissors, cut 50 thin strips from a piece of cardboard, dipped them into the matchhead solution, and stapled

them to what was left of the cardboard.

Since he knew what happens to inventions that are left unpatented, he sent this crude ancestor of the modern matchbook to Washington and was granted a patent on September 26, 1892—the date the matchbook industry now celebrates as its birthday.

Unable to manufacture the books himself, Pusey had to stand by while others helped themselves to his idea. Finally he raised enough money to sue the most important violator of his patent right. A few days after the lawsuit was announced, a man with a briefcase came to see him.

Pusey was not surprised. He had expected the company would attempt to buy his rights for a few dollars. The stranger said the things Pusey expected to hear. A company he represented would like to buy the patent rights. Pusey was trying to think of a polite way to say no when he suddenly realized the man was offering him a sum of $10,000.

While signing on the dotted line, the inventor remarked that for a sum like that he would be glad to drop a lawsuit any time.

"Lawsuit?" asked the stranger. "What lawsuit?"

It turned out that the firm that bought the patent rights was the then little-known Diamond Match Company. Instead of dropping the suit, Pusey was hired to continue it, and for the rest of his life he served as Diamond's patent attorney at $10,000 a year.

But when Diamond tried to make money on its investment, it found that the public was used to the more expensive wooden sticks and simply would not buy the flimsy-looking paper things. By 1894, it seemed to have come to the end of its short career.

At that point 28-year-old Henry Traute was hired by a young but hopeful matchbook firm to sell paper matches. Traute, a crack salesman, was amazed to discover that not a buyer in the country wanted to see him. He would look up old contacts and be met in the usual hearty way, but when he mentioned the word "matchbook" these interviews would come to a hasty end.

Baffled, he asked his employers, "Has anyone besides that man Pusey ever made a dime on a paper match?

Yes, he was told, one company had—but it had *bought,* not *made,* matches. This was the Mendelson Opera Company, a troupe of singers and players. After hiring a hall in New York, there had been no money left for advertising, so the manager had bought several hundred matchbooks and set the troupe to hand-lettering announcements on them.

Every bit of space—from the cover to the matchsticks themselves—was utilized. "WAIT—WE ARE COMING," they wrote, and went on about the "Pretty Girls" and "Handsome Wardrobe." "Look for the Date," they added; and, "Get Seats Early." Then they pasted pictures of their star on the outside cover. Result: the hall was packed.

When Traute heard that, he headed for a lithographer's office. The lithographer could not make out just what it was Traute wanted. An advertisement? But what should he say on the advertisement?

"Anything! Anything!" cried Traute, now far too excited to answer reasonable questions.

He grabbed a magazine from a chair and found an ad for Pabst beer. This he thrust at the lithographer, along with a matchbook cover, and told him to print the ad in matchbook size. The bewildered man made up the ad as quickly as he could, and Traute took the next train for Milwaukee—where he secured an order from the Pabst brewers for 10 million books with printed covers.

Traute next tried a tobacco firm, and he and his matchbooks were unceremoniously thrown out the door. He turned to their rivals, the producers of Bull Durham, and got an order for 30 million books.

By this time, Traute's home office was in a state of panic. "Stop!" it wired Traute. "To fill such orders, new machinery will have to be invented."

But Traute did not stop. His job was to create the demand; he left it to the home office to furnish the supply. When he finally returned to New York with orders in the billions, he found new machines whipping out the booklets at the rate of 10,000 per hour.

But when the billions of matchbooks with beautifully printed covers hit the market, the public refused to buy them. People said they were dangerous. Traute had the striking surface moved to the outside cover, at a safe distance from the matchheads, and imprinted with the now familiar "Close Cover before Striking." Still the public would not be won over, and advertisers began to cancel their orders.

Then Traute came up with another idea. He found a busy street intersection with tobacco shops on all four corners and offered the proprietor of one of them a batch of matchbooks for a small sum.

"Matchbooks!" said the man. "No thanks! I couldn't *give* them away."

"Have you ever tried?" asked Traute. "People like to get things for nothing. I bet you'd sell more tobacco. Why not give it a try?"

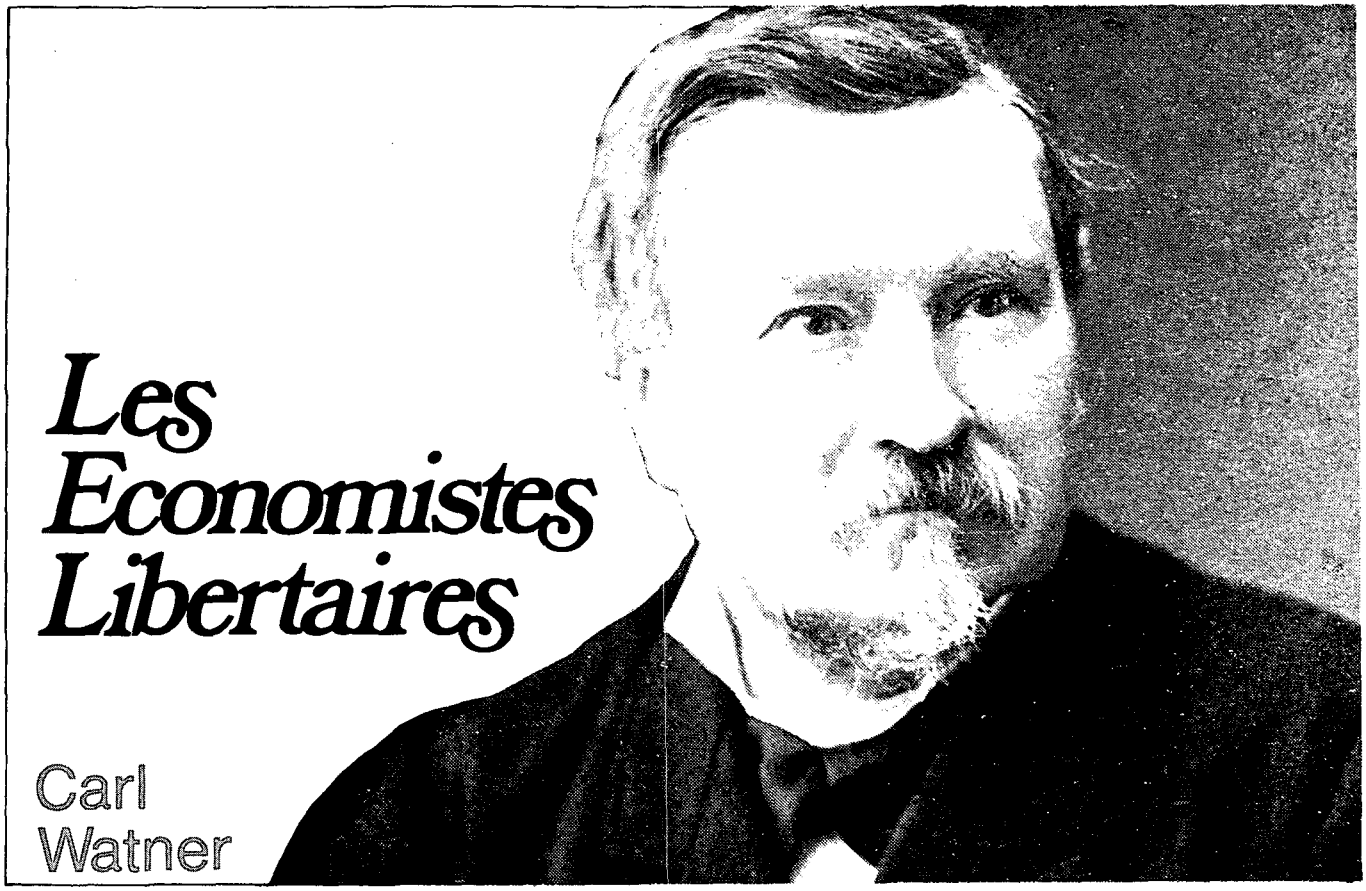
"Well, why not?" the dealer finally agreed.

Within a week he was selling twice as much tobacco as usual. Within two weeks the three other dealers on the intersection were handing out free matches. By the end of the year New Yorkers were getting matchbooks with their tobacco and cigarettes in practically every shop and inside of five years the practice had spread to the West Coast.

As paper matches gained in popularity they attracted the attention of hobbyists, and today there are over a million match-cover collectors, making matchbooks – next to stamps – the most popular collecting hobby in the country. To be well thought of by a collector, a cover must have a distinguishing imprint or picture, such as the name of a town, ship, or club, or the photo of a national monument. Also, it must be rare.

The Mendelson Opera Company probably never dreamed that giant machines two stories high would eventually pour out matchbooks, complete with advertising messages, at the rate of 60,000 an hour. It is thanks to this advertising that the average American can use thousands of matches every year without paying for them. ◻

A graduate of Western Reserve University and the University of Chicago, Irwin Ross is a practicing psychologist specializing in the medical uses of hypnotism. He is the author of over 200 magazine articles.



Les Economistes Libertaires

Carl Watner

LIBERTAIRE n. Partisan de la liberte absolue, de l'abolition de toute loi, de toute gouvernement. - Adjectiv.: 'Doctrine' LIBERTAIRE. LIBERTARIAN n. Partisan of absolute liberty, of the abolition of all law and all government. - Adj.: LIBERTARIAN 'Doctrine.'—Encyclopedie Larousse Du XX Siecle.

POLITICAL ECONOMY, in modern times, assumed the form of a regular science, first in the hands of the political sect in France, called the ECONOMISTS. They made it a branch only of a comprehensive system on the natural order of Societies.—Count Destutt de Tracy, 1817.

The great historian of economic analysis, Joseph Schumpeter, noted that the publication of Jean Baptiste Say's *Treatise* in 1803 marked the beginning of the school of French economic-political thinkers known as the *économistes.* According to Schumpeter, the men of this school were strongly liberal in the laissez-faire sense and "anti-statist, that is to say that they indulged in the belief to the effect that the main business of economists [was] to refute socialist doctrines and to combat the atrocious fallacies implied in all plans of social reform and state interference of any kind." Schumpeter realized that the French politicians could have hardly liked a group of thinkers that stood for free trade and otherwise indulged in an "impracticable liberalism."

The *économistes* were not a tightly organized group of men, although their opinions were represented by two organs: the *Journal des Économistes* and the Société d'Économie Politique. During the greater part of the 19th century the ideas and influences of this sect reigned supreme in French academic circles. Some of the better known of the *économistes* were Charles Dunoyer, Frédéric Bastiat, Frédéric Passy, Yves Guyot, Courcelle-Seneuil, and (in the words of Schumpeter) "the indefatigable" Gustave de Molinari. Basically these men accepted and applied to the society around them the precepts of free trade and of the classical school of Adam Smith. Although they did not label themselves *libertaires* (libertarians), they were predisposed to adopt liberty as the solution to all social ills. For example, Gide and Rist, in their *History of Economic Doctrines,* described Charles Dunoyer as one of the most militant of the politico-economic liberals. "He fully shared the belief that free competition was a sufficient solution for every social problem. . . . No one was more opposed to State Socialism and to [state] intervention of every kind. He was opposed to labor legislation, to Protection, to the regulation of the right of property and even to state management of forests." Dunoyer was one of the early presidents of the Society of Political Economy, which was organized in 1842, and was a frequent contributor to the *Journal des Économistes.*

Just as the Austrian school of economics has had its great teachers, such as Böhm-Bawerk, Menger, and Mises, so did the *économistes* have their great men. The man who was described by Frédéric Passy in 1904 as "the doyen of our economists—of our liberal economists," was well esteemed by the *économistes* of the mid-19th century. Gustave de Molinari was a true representative of this school. As a young man, Molinari came into contact with the early founders of the Society of Political Economy in Paris, and he remained faithful to their doctrines throughout his long life, which ended in 1912. He was born in Liege, Belgium, on March 3, 1819, and was the son of a medical doctor, the Baron Philip de Molinari. At an early age he went to Paris, where he began to write for the various opposition and radical

journals.

As a result of the coup of 1851, Molinari returned to Belgium, where he eventually became an instructor at the Industrial Museum in Brussels and professor of the history of commerce at the Commercial Institute of Anvers. He was active in the free-trade movement and was always true to his principles. During the campaign for the removal and lowering of import tariffs in Belgium, and while still employed at the Institute in Anvers, Molinari spoke out against the government position. It was his belief that the government was misrepresenting the state of economic affairs, in addition to maintaining protective tariffs on certain items. As a result of his outspoken criticism of the government, Molinari was called before the Minister of the Interior on December 28, 1858, and told that it was inconvenient for a professor employed by the State to publicly attack the government that provided his livelihood. The question had arisen in the chambers of parliament, and Molinari resigned his position.

Molinari led a productive life until his last days. His literary output numbered many books on political science and economics, as well as innumerable articles contributed to scholarly journals. In 1855 he founded *L'Économiste Belge,* a journal dedicated to propagating the truths of political economy and free trade in Belgium. Later, when Molinari returned to Paris, he became chief editor of the *Journal des Économistes,* a position he held from 1882 to 1903. "From all points of view he occupied one of the first places among the representatives of truly liberal ideas in 19th Century Europe," commented P. Michotte. "For his absolute way with economic principles and the intransigence of his social theories, Molinari must be considered as typical and foremost of the libertarian economists of his era."

These Frenchmen in general, and Molinari especially, were perhaps the first group of thinkers to examine the State and its social functions from an objective economic point of view. Government, according to the *économistes,* is nothing other than the "industry of protection," whose primary aim is to attain peace and security for its customers—the citizens of the nation. Starting from the principle of free competition, whose social benefits they readily acknowledged, it was only logical for them to examine the greatest exception to this principle, namely government. Dunoyer had noted in his writings that government was the one clear exception in society to the application of the rule of free competition; but it was left for Molinari, who had the fearlessness and logic of youth, to ask why the production of security should not be abandoned to free competition.

In the February 15, 1849 edition of the *Journal des Économistes,* Molinari published his article "De la Production de la Sécurité," which, in the words of Murray Rothbard, offers the "first fully developed outline of the purely libertarian system in the world." Essentially, Molinari viewed peace and security as commodities that are desired by people. He established that people living together in society are best able to satisfy their needs through the division of labor and voluntary exchange. This in turn requires that everyone be secure in the possession of their own person and rightfully acquired property. Since specialization in production is characteristic of the market, and since some people are not strong enough to provide their own protection against aggressors, it is only logical that the consumers of security would turn to firms who specialize in its production.

The *économistes* did not label themselves *libertaires,* but they were predisposed to adopt liberty as the solution to all social ills.

Molinari's main conclusion was "that one government may not prevent another government from establishing competition with it, nor oblige the consumers of security to address themselves exclusively to it for that commodity." His logic behind this conclusion was simple. It is obvious that consumers, regardless of the commodity involved, are interested in obtaining it at the cheapest possible price. The *économistes* had already seen that free competition results in the cheapest price on the market. Therefore, let supply and demand set their own price for security. As long as there is a demand for security, let it be satisfied by the free entry of firms or individuals who are interested in meeting the demand. Molinari realized that governments are monopolies allowing no competition within their borders. Until free competition can be established between competing defense agencies, there is simply no way for citizens of a country to determine whether they are getting the best possible defense services at the cheapest possible prices.

Molinari was a firm believer in the efficacy of natural laws, and it was his opinion that these natural laws of economics prevail in all phases of human action. He concluded that those who believe in economic science and the rule of free competition that it entails must, "a priori," advocate the production of security by competing firms. The alternatives are the production of security by a monopoly or by the community (communism). Under communistic or monopolistic organization, the interests of the producers dominate, rather than the interests of the consumers. In such cases, Molinari saw that the price for services would rise while quality would deteriorate through lack of competition. Furthermore, Molinari demanded to know why communism or monopoly should not be applicable to other areas of the market if they are suitable to the production of security. "Either communistic production is superior to free production or it is not. If it is, then it must be for all things, not just for security.... Complete communism or complete liberty: that is the alternative!"

If security were offered on the free market by private firms or individuals, it would become necessary for the consumer to investigate the claims of the producers in order to determine which one would best suit them. Consumers would have to know whether their supplier was actually strong enough to provide the degree and type of protection they would require. The purveyors of security would have to offer moral guarantees so that the consumers could be assured that they would not involve themselves in the aggressions they were supposed to suppress. As in any open market, Molinari believed that the purchasers of security would shop around for the best deal. If they couldn't find a satisfactory supplier, then the consumers would provide for their own security. In addition, Molinari realized that the producers would also establish certain guidelines for themselves and their customers. This would include rules regarding punishment, restitution, and evidence, which the consumers would accept as part of their contract.

Molinari thought that from the ability of the consumers to buy their own security would be born a constant

emulation among all producers (in order to keep and attract customers) to produce the best service at the lowest possible price. Every producer would be under the threat of losing his clientele if he downgraded his services. Similarly, if the consumers were not free to purchase security from whomsoever they chose, then there would be a large area for the arbitrary and injurious administration of justice. "Justice would become costly and slow, and police vexing, and liberty would cease to be respected; the price of security would become excessively high and inequitably levied. The producers of security would fight battles among themselves for clients." In effect, one would see all the inherent abuses of monopoly and communism. Under free competition the consumers would not tolerate warlike producers, nor would they allow themselves to be conquered. As Molinari brilliantly declared, "War is a natural consequence of monopoly; peace is the natural consequence of liberty." It was his expectation that peace would more likely reign under a regime of liberty than under monopoly or communism.

Government, according to the *économistes*, is nothing other than the "industry of protection."

In October 1849, with Molinari apparently absent, the *économistes* of the Society of Political Economy met in Paris to discuss the "Question of the Limits of State Action and Individual Action." Their meeting was prompted by the publication of Molinari's book *Les Soirées de la Rue Saint-Lazare: Entretiens sur les Lois Économiques et Défense de la Propriété* [Evenings on the Rue St. Lazare: Conversations on Economic Laws and the Defense of Property], in which he continued to advocate private defense agencies. Molinari was also a bitter critic of eminent domain laws, which were being used by the French government to aid railroad construction. His book also included a sharp critique of any type of expropriation for public use.

Bastiat was critical of Molinari's scheme, for it was his opinion that the State must provide guarantees for security and justice. The only way this could be done was by the use of or threat of force. How could agencies, none of which were supposed to possess monopoly powers, exercise the use of force equitably? Furthermore, Bastiat thought that these ideas, although they were offered in the spirit of fighting socialism, would provide ammunition to critics of the free market. Coquelin, another of the *économistes,* characterized Molinari's plan as future competition among insurance companies to provide their clients with security. He did not understand how competition (which was Molinari's only remedy against fraud and violence) could exist unless it was guaranteed by the State. Coquelin thought that with the State, competition would be possible and fruitful; without the State, it would be impossible to apply or to conceive.

Charles Dunoyer thought that Molinari had lost himself in the illusions of logic. Competition among private defense agencies would be chimerical, because it would lend itself to violent fights between the producers of security. As these battles could only end in the extreme use of force, Dunoyer thought it prudent to leave force where civilization had thought best to place it, namely, in the hands of the State. Dunoyer already saw the existence of political competition in the State, since citizens could choose among various forms of government (republics, monarchy, democracy, etc.) and could also choose among members of different political parties who offered their services to the public at election time.

When Molinari's book was reviewed in the November 15, 1849, *Journal des Économistes,* Coquelin, the reviewer, was still critical of some parts of the dialogue. Molinari offered the opinions of an *économiste,* a socialist, and a conservative regarding social policy. Coquelin could not forgive him for "giving to us [the *économistes*] some opinions that no economist ever professed. From the principle of free competition, Molinari concluded that free competition must pervade certain areas of State functions and that a day will come when the government would be simply a producer of security competing with other businesses for clientele. Such an idea never occurred to any *économiste* and only once was it suggested in the *Journal des Économistes*—and then by Molinari himself. His voice hasn't found a single echo or supporter. Why then does he resurrect this extraordinary idea?"

Coquelin also used the classic argument for the State against Molinari. "The State permits of no competition or choice because it is a necessary and inevitable monopoly. Molinari forgets that free competition presupposes peaceful existence. How is it possible to speak of free competition to people who put the sword in your back or the pistol to your chest? With no single agency to settle disputes, competition becomes impossible." As for the abuses of monopoly power, Coquelin suggested that Molinari look to constitutional guarantees and the regular participation of citizens in public affairs for safeguards.

We do not know the reaction of Molinari to this mass of criticism. There is no record of his rebuttal, and the fact is that he did not remain a full-fledged advocate of his production thesis. In the course of his later life he modified his ideas to the extent that he recognized some legitimate role for government, although he continued to hedge these functions with certain restrictions. Molinari came to advocate the "principle of secession," the "abolition of political servitude," and the "liberty of governments."

Why, asked Molinari, shouldn't the production of security be abandoned to free competition?

The principle of secession was exemplified by the South's position in the American Civil War. In *L'Économiste Belge,* Molinari declared himself in favor of the South's position. Secession from an existing political state was, for Molinari, nothing other than the principle of free exchange transported to the political sphere. Although he distinctly decried the advocacy of slavery, Molinari thought the North's position was equally compromised by its failure to allow the South to secede and by maintaining protectionist tariffs. In the "liberty of governments," Molinari saw the possibility of "abolishing political servitude." Liberty of governments meant two things: the benefit of competition among private producers bidding to provide services previously supplied by the governmental monopoly; and the dual right of secession, in which a community would disassociate from

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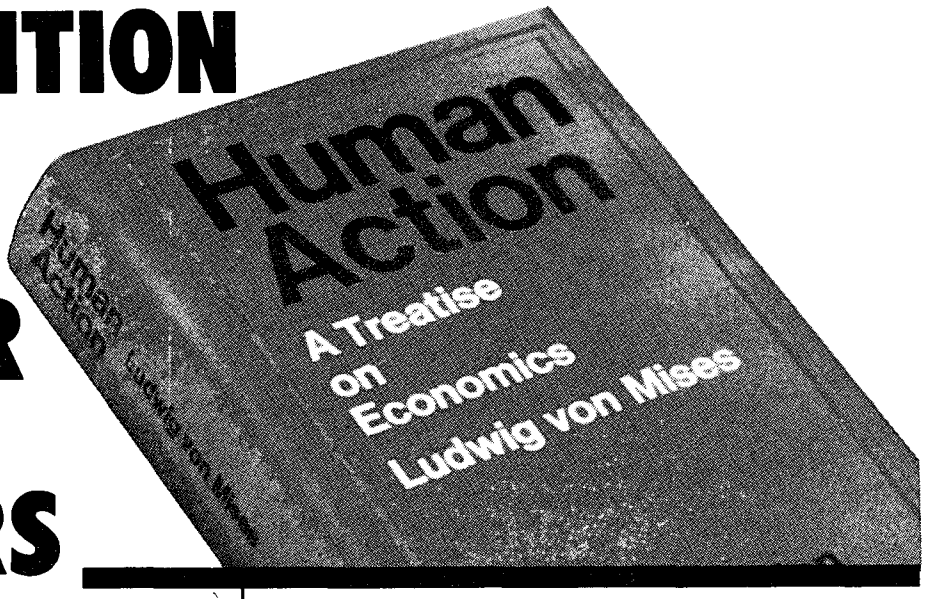

"It rests with men whether they will make the proper use of the rich treasure with which this knowledge [of economics] provides them or whether they will leave it unused. But if they fail to take the best advantage of it and disregard its teachings and warnings, they will not annul economics; they will stamp out society and the human race." — Ludwig von Mises

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the province and the province could disassociate from the State. Although Molinari continued to be critical of governments, he did allow that they could provide certain local services, such as sewage disposal, roads, and lighting, all of which he labelled articles of collective consumption. In such cases, the government could arrange for private firms (which would be selected on a competitive basis) to supply these services.

Another principle that Molinari constantly emphasized was that competition is totally alien to war. Free trade is the most sure guarantee of private and world peace. With nationality subject to free choice and with the sphere of government limited to its natural attributions, there would be no reason for governments to go to war. "As soon as nations emerge from their subservience to the State of War and their constituent parts are free to form new groups or erect autonomous states, the dangers of revolutions and civil war, which are the fruits of compulsory union, will disappear."

With regard to State functions, Molinari made one other vital concession to statism. When an international congress on child welfare was held in Germany in 1857, Frédéric Passy wrote an article for *L'Économiste Belge* in which he criticized the congress's resolutions in favor of compulsory education. He saw the fundamental question to be whether or not parents should be forced by the State to educate their children. A rather lengthy debate was then carried on between Passy and Molinari in Molinari's journal. These articles were later collected and reprinted in book form under the title *L'Enseignement Obligatoire.*

Molinari wanted private enterprise to provide all kinds of education, and he was against the establishment of State schools. Nevertheless, he thought that the State has the obligation to impose on parents the responsibility of educating their young. The act of voluntary procreation on the part of the parents makes them responsible for instructing their offspring. Since children are incapable of enforcing their right to an education, it is up to the State to impose the requirement that all parents educate their children. Passy reprimanded Molinari for his statist position, arguing that to involve the State in education in any way only opens the door to further intervention. Although Molinari was careful to distinguish between State enforcement of the parental responsibility and free public education (which he opposed), Passy thought that he was violating the moral influence of parents over children.

Passy was completely willing to leave the responsibility of educating children to their parents or guardian and was not disposed at all to make education an obligation imposed by the State. He emphasized quite properly that there is a very important distinction between the parents' moral obligation to educate their young and their legal duty. If the children are entitled to an education, as Molinari claimed, then their education has to be provided for at someone's expense. What if the parents cannot afford this expense? Would the taxpayers be forced to pay? Passy hastened to add that the *moral* course for all parents would be to educate their young, but to involve the State (in a coerceive manner) in family affairs is wrong. Children are to be protected from direct violence, whether it be from parents or strangers; but an act of omission, such as not educating children, ought not to be made punishable. Passy denied in the most absolute manner the right of the State to prescribe the good. Only directly oppresive acts can constitute crimes, and the fact that parents failed to instruct their young could not be considered an aggression.

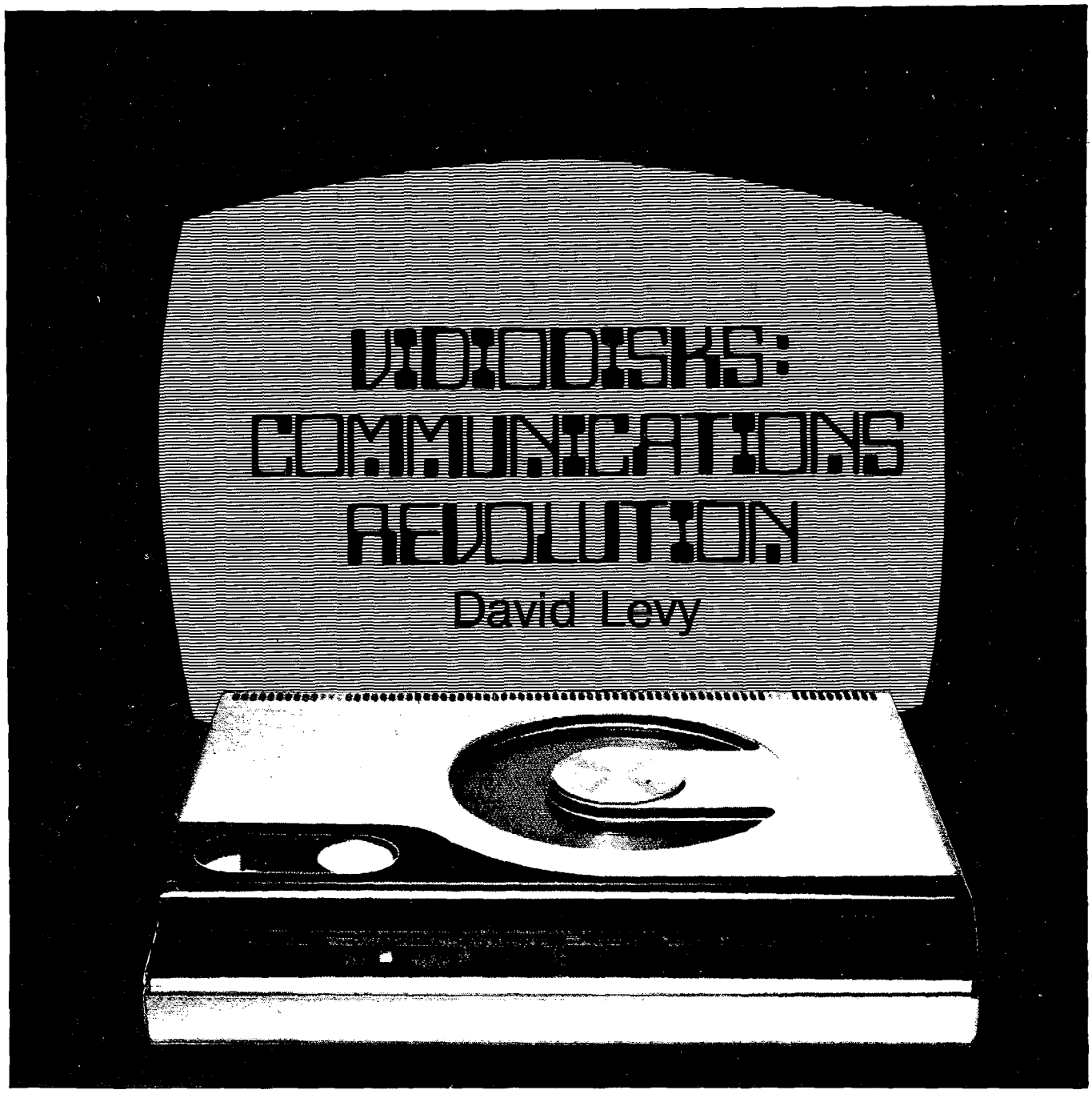
In later life Molinari modified his ideas, recognizing some legitimate role for government.

Although Molinari made these compromises with the State, he was not so ready to concede any government involvement in monetary matters. As Vera Smith noted, the subject of centralized, "state controlled banking vs. free banking was one of the most keenly debated of its time in France. Indeed the period of about 20 years from 1840 to 1860, during which the French thinkers occupied themselves with this problem, [was] perhaps the most productive of any French economic literature. . . ." Molinari thought the money industry should be open to free competition. It was his view, says Gaetan Pirou, that "banks should be free to offer metal coins or paper money and the public [should be free] to choose whichever served their best interest." Molinari also favored an international standard of value, which in his opinion would simplify world trade and thereby assist the cause of world peace. In passing, let us note that Courcelle-Seneuil, a contemporary and friend of Molinari, was perhaps the most ardent defender of free banking in France. He was, said Smith, "in favor of absolute freedom and unlimited competition in banking and was the most uncompromising of all the free bankers in France. The sole permissible regulation in his view was one simply aimed at the prevention of fraud."

Surely the *économistes* and Molinari are of significance to libertarians today. Molinari was the first economist to advocate the production of security by private defense agencies. His argument was laid out in purely economic terms. He did not consider the morality of statist vs. voluntary arrangements. His contention was that the free market is the most efficient means of producing any desired commodity, and that it is therefore logical to conclude that the market can create its own security, peace, and justice most efficiently. Molinari apparently did not see any connection between the general means and the hoped-for ends, nor did he realize that the most moral way might also be the most efficient way. This is particularly true as we examine his arguments for compulsory education and his other concessions to statism. His opponent, Frédéric Passy, notes Rothbard, realized that there is "a whole host of moral rights and duties . . . beyond the province of the law." His arguments relied more clearly on the general libertarian principle that no man is entitled to initiate aggression against others. We cannot reproach Molinari too greatly, however, for as he explained in his last published book, *Ultima Verba,* "Mon Dernier Ouvrage," his lifelong devotions had been to the ideals of "liberty of Exchanges and Peace." These must be forever the concern of all libertarians. ☐

While I am not a French scholar, all translations have either been made or edited by myself. Many thanks to Leslye Kogan, Shiryl Miegel, and Mary Kobrak for their translating assistance. Thanks is also due to Mrs. Barbara Carroll for her efforts to obtain research material for me.—Carl Watner

Carl Watner is an independent libertarian scholar in Baltimore, MD. His most recent REASON contribution was "California Gold, 1849-65" in the January 1976 issue.



It is the unforeseen consequences of our actions that result in the evolutionary development of social institutions. This proposition, formulated two centuries ago by philosophers otherwise as divergent as Bernard Mandeville and Adam Smith, has been argued by Professor F. A. Hayek to be a central insight into social processes. This proposition does not mean to its propounders that we act at random, stumbling over the consequences of our actions. Rather, it asserts what we do not do: we do not decide that on Monday, we as a society will invent language; on Tuesday, morality; on Wednesday, the political process; on Thursday, money; and on Friday, alcohol. All of these estimable creations are the result of decisions by individuals to solve the problems that confronted them as individuals. These solutions build upon other solutions in an almost geological process of accretion. It is the task of economists and others working in the neo-Mandevillian tradition to untangle the processes, and the state of equilibrium of the process, by which these individual decisions, made for individual ends, serve as something more than this.

There is, I think, a budding social revolution in the works with a marvelous potential for subverting worldwide authoritarianism in communication. This revolution is not being plotted for purposes of advancing liberty—those purposes per se pay very poorly—but rather for commercial-artistic purposes. This is the forthcoming video disk. It is possible that this revolution can be blocked; hence, our attention may be required.

I would imagine that everyone who reads the *New York Times,* the news magazines, or the audio magazines is aware that it is now technically feasible to produce a vinyl disk capable of carrying the information that a standard television signal carries. It is also technically feasible to produce a rela-

tively inexpensive device, around $500 at the current estimate, for extracting the information from the disk for viewing through an ordinary television set with the requisite plugs.

It is obvious at the outset that the material that is economically feasible for video-disk production is considerably distinct from material that is economically feasible for television. Television shows generally cannot be studied the way books are studied. Presumably, anyone who would pay for a video disk for a home library would expect to use it more than once, since it would otherwise be cheaper to see the program in a theatre.

It has become commonplace to attribute part of the decline of reading ability, shown in decaying SAT scores, to increased television viewing. It is not clear whether television per se would have such an effect if serious, thought-requiring programs were commercially viable. In any event, if people are watching television more and reading books less, then something like a video disk, which can be studied, may be required if radical—radical in the old-fashioned sense of going to the root of the matter—social-political discussions are to be widely effected.

What is revolutionary is that at no time during video disk transmission does an electromagnetic wave trespass on the politically controlled airwaves.

There are currently two video-disk systems receiving serious consideration. The most prominent mentioned is the MCA-Phillips disk. This approach uses a low-powered laser to extract information carried slightly below the surface of the disk. (This feature is important, especially for the possibility of video-disk libraries, since the resulting signal is not disturbed by surface defects, the curse of current phonograph records, which carry the signal on the surface.) The RCA system uses an electron beam and a mechanical stylus to extract information. What is revolutionary is that at no time during the process does an electromagnetic wave trespass on the politically controlled airwaves.

The capital market is fascinated by such developments because, among other possibilities, it is obvious that there are immediate markets for home versions of the vast stock of motion pictures. How much would you be willing to pay for a collection of Buster Keaton's films or for Sir Lawrence Olivier's Shakespeare films? My wallet groans in anticipation. There are certain television series that would equally rapidly find a market; the *Star Trek* series alone would probably sell a staggering number of copies.

The technological advance represented by a viable video disk would allow several serious arts finally to reach a wide market. Clearly, the most immediate beneficiaries would be opera, ballet, and modern dance companies. Just as the income produced by phonograph records for the important orchestras in the United States is critical, the income that serious dance and opera companies could obtain would presumably be important for their survival.

The potential of video disks should be clearly distinguished from that of video tape. Video tape has been highly successful in professional use, but it has found little acceptance for a home market. It is very expensive—over $10 for 30 minutes—and although tape can be reused, this feature is not very important when the tape is purchased for permanent storage of a film. Video disks may be very much less expensive because they seem subject to economies of scale in production much more than tape.

Even so, video tape is stirring a good deal of interest. At least two television makers, Sony and Advent, have produced high-quality, large-screen models that are directed to video-tape users. The high quality of signals on video tape seem to show best on such equipment. The phenomenon is familiar to those with audio equipment: high-quality records are often relatively undistinguished on low-quality equipment, and poorly produced records can be intolerable on good equipment.

The regulatory restraint on a communications medium that differs only in technical detail from a phonograph record presumably will be minimal, since regulation of phonograph records is almost nonexistent. Redd Foxx found that as a black man he could not work in the nightclubs for white audiences. He was, however, able to produce an eminently disreputable, but not unprofitable, series of records. Political tracts by the John Birch Society certainly could not be broadcast without the station running a grave danger of loss of license, but they can be produced on records. Lenny Bruce found record albums open for vigorous satire when the airwaves were off limits. Nonetheless, the liberating consequences of video disks may well cause more far-sighted authoritarians to rethink the desirability of this regulatory lapse. Indeed, it might be possible to strangle the video disk revolution in infancy, but it probably will not be when it is well developed.

We must sharply distinguish the legal assignment of rights to produce and purchase a phonograph record from the assignment of rights to produce and transmit a television show. If I am offended by a phonograph record, I may complain to the producer or to the store in which it is sold, or I may refuse to purchase it. I have no right to prevent anyone else from buying it. In contrast, if I am offended by a television broadcast, for whatever reason, I may write to the FCC to complain. This complaint will be taken seriously. If there are a sufficient number of protests, the FCC may refuse to renew the station's license. Thus, a vocal minority has the de facto right to block the creation of television shows of which they disapprove.

Imagine the impact of an unrestrained, non-statist video disk series on a European audience at the mercy of government television.

Freedom of speech entails the right to annoy people. Unregulated video disks will create the right of the producers and the purchasers of video message to annoy anyone they wish. The production of television signals will be freed from the veto power of groups acting through the political process. If video disks are treated in law as if they were phonograph records, anyone who wishes to rent the requisite equipment can produce a

disk for whatever purpose he or she wishes.

For example, a video-disk division of Dow Jones might wish to produce a multi-hour documentary on the coming collapse of the social security system. And Dennis Turner might wish to produce a disk on how computer trading models can allow you to profit from the same coming collapse. A *television* show of this sort would be difficult to imagine because it would be polemical, subject to public protest, and at a minimum, there is the requirement that the stations showing it provide time for reply, and no doubt, the audience would be tiny. But with video disks, an audience of ten million would not be required before such a project would be seriously considered. Presumably, the same people who buy serious books would be interested in serious video material. Those who were annoyed by such a video disk would have no right to block its production. All they could do would be not to buy it. Or, to produce a rejoinder.

There would also be the possibility of an almost scientific discipline, of the type Sir Karl Popper has described, focused on regulated television. A video-disk polemic a la Edith Efron might convincingly prove that the television news programs were biased. Inflections, the movement of eyebrows, and perhaps even the creative manipulation of photographic evidence all could be documented.

The impact on the United States might be far less substantial than that upon European countries with government television monopolies. Unless explicit steps were taken to the contrary, there would be no reason why a relatively free trade in video disks would not emerge. Again, private news services might produce video-disk news programs, especially since there would be no reason that the producers could not sell commercials in the video disks. A commercial-infested disk would certainly be sold for less than one without commercials. The impact of an unrestrained, non-statist video-disk series on a European audience at the mercy of government television might be spectacular. Indeed, there is already a relatively interesting international trade in phonograph records. It seems that European audiences listen to music a great deal more carefully than American audiences; hence, records produced in Europe are often considered vastly superior to what record companies allege to be the American equivalent. State-of-the-art audio magazines are filled with discussions of which European pressings justify the extra expense.

This revolution may be blocked. It is, however, all to the good that the liberating aspects of the video disk have received almost no notice in the press. The exception is, of course, the obvious pornographic possibilities. If the move toward regulation does occur, and clearly the current television networks could take a financial bath if they lost their best-educated audience, it might be well to remember that those concerned for liberty have many potential allies to help effect the revolution. Those who enjoy classical and experimental films; opera, and serious dance; those who have investments in television producing companies; those who are seriously attached to the First Amendment to the Constitution—all are potential members of a coalition to force free expression in video disks. If this opportunity slips through our hands, we may not see its likes again. ◻

David Levy received his Ph.D. in economics from the University of Chicago. He is currently on the staff of the National Planning Association in Washington, DC. He is the author of "Can New York City Be Saved?" in REASON's May 1976 issue.

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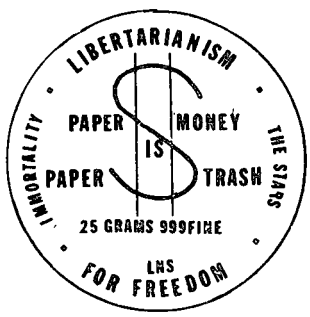

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VIEWPOINT

THE ACHIEVEMENT OF THE LP

As we contemplate the results of the November election we can consider them from two perspectives. We can look forward gloomily to four or eight years of accelerated inflation and statism under President Carter, finding little solace from the repeated assurance that he "feels our pain." Or we can celebrate with a high heart the remarkable achievements of the Libertarian Party in this campaign.

First, while the detailed figures are only fragmentary at this writing, we know enough to proclaim that the fledgling LP, waging only its first nationwide campaign, is now the nation's largest "third party!" Despite the lack of media coverage on Election Day or afterward, reflecting the media decision that Lester Maddox and the American Independent Party was the ticket to watch, the LP managed to beat Maddox and the AIP with no trouble at all. Despite meager financial resources and a dearth of full-time party professionals, Roger MacBride and the Libertarian Party managed to trounce such older and better-financed third parties as the AIP, Tom Anderson and the American Party, Peter Camejo and the Socialist Workers Party, and all the others. It now looks as if the MacBride total will exceed 200,000 votes nationwide, with over 55,000 in California alone.

Due to the tireless dedication and superior abilities of MacBride, Bergland, the national office, and many people in the state parties, the campaign reached over 70 million people by personal campaigning and through articles in press and magazines and expertly produced national TV spots. All this was accomplished without any compromising or watering down of the pure libertarian message. Tens of millions of people are now familiar with the name libertarian and what it stands for, and countless numbers of them have become influenced by the libertarian message. MacBride's campaign book, *A New Dawn for America*, and the excellent, thoughtful, and hard-hitting LP platform and position papers have been spread throughout the country. The accomplishment is all the more remarkable when we realize that the MacBride-LP campaign was the most *explicitly* libertarian campaign in over a century, and probably in all of human history! It is a time to stand and cheer.

The large number of votes and the media attention both reinforce the impact and the respect that is being and will be granted to the libertarian message of the LP. More than that: the 1976 campaign builds a firm foundation for the future, for it means that in future campaigns the media and the public will already know that we are here, and here to stay. The Libertarian Party is off the launching pad, and it is destined to make an increasingly mighty impact on American politics and American society.

Everyone active in the MacBride campaign has good reason to feel proud, but the greatest of the accolades must be accorded to Roger MacBride. With virtually superhuman stamina, MacBride campaigned tirelessly and continuously from August 1975 until election day, bringing the message of liberty to every nook and cranny of the 50 states. Giving time and energy without surcease, he managed to overcome all of the scarcity of resources, personal and financial, that inevitably plague every new movement; he managed, too, to retain his unflagging optimism in the face of initial general indifference and of petty and mean-spirited sniping from within some libertarian ranks. How he could do all this I do not know; those of us who played far lesser roles in this illustrious campaign can only stand and applaud.

MURRAY N. ROTHBARD

For now, after this long and grueling campaign, the snipers and gripers within libertarian ranks have faded away; and we are left with the enormous achievement of a strong, vibrant, national Libertarian Party which is destined to grow and accelerate in strength in the years ahead. And, in the midst of the depressing murk of the two major parties, emerging from this election is our very own national political leader, our paladin of liberty: Roger Lea MacBride.

Murray Rothbard is professor of economics at the Polytechnic Institute of New York. Dr. Rothbard's Viewpoint appears every third month in this column.

COMING NEXT MONTH

The February issue leads off with an analysis by Prof. John Hospers of the "transition problem" for libertarianism: how to get from where we are today to a fully free libertarian society. You won't want to miss this controversial article! Also in the issue will be Mark Tier's report on how Australian M.D.'s are fighting back against socialized medicine—and winning, a dissection of the views of B. F. Skinner, a sketch of an early 19th century libertarian journalist, and a host of other columns and features. Don't miss it!

WASHINGTON WATCH

MA BELL SEEKS MORE MONOPOLY

The Bell Telephone System (A.T.&T.) is seeking legislation to expand and further institutionalize its virtual monopoly over communications, especially in telephone service (see "Editorial: Playing Monopoly . . . For Real," REASON, December 1976).

Bell is annoyed that recent FCC decisions have allowed some limited amount of competition in providing telephone-related equipment. They're raising the usual fears—higher prices, inconsistent service, and "cutthroat competition" to support bills which would virtually outlaw the tiny hint of competition which has slipped through the loopholes of existing law in the last several years.

Hearings are likely in the House in February in the Interstate and Foreign Commerce Committee's Subcommittee on Communication, chaired by Rep. Lionel Van Deerlin (D-CA). Letters to him at the House of Representatives at Washington, D.C. 20515 would be welcome.

The Telephone Company's bill was introduced last year, labeled the "Consumer Communication Reform Act," by Sen. Vance Hartke, who will be blessedly absent from the Senate this year, but A.T.& T. has backups including Jesse Helms and George McGovern.

NEW CRIMINAL CODE REVISION

S1, last year's proposed revision of the criminal code, which failed, to the relief of civil libertarians, will likely be back.

The word is that Senator Teddy Kennedy, a half-hearted opponent last year, is busy cutting a deal with Sen. John McClellan of Arkansas. The terms would involve some cosmetic surgery of some of the more objectionable provisions of last year's bill. However, the basic oppressive nature is likely to remain the same.

Letters of indignation to Senator Kennedy, wondering why he wants to forfeit his liberal constituents' interests with this deal might be helpful. Others in the Senate who might benefit from letters about S1 include Birch Bayh who renounced his support of S1 last year. He will probably need pressure to maintain that position this year. All letters to Senators can be addressed to: U.S. Senate, Washington, D.C. 20510.

RON PAUL MAY BE IN SPECIAL ELECTION

Rep. Ron Paul, the libertarian-conservative congressman from Texas, will probably be involved in a court battle during January. He lost last November by 94 votes, in an election marked by heavy special-interest spending and wide-spread election irregularities. He is seeking a new election through what is likely to be a very expensive court battle.

Expressions of support could be sent to him care of Rep. Ron Paul, House of Representatives, Washington, D.C. 20515.

HERITAGE FOUNDATION DOES WORK ON ESTATE TAXES

The conservative-oriented Heritage Foundation has done some recent work on the issue of estate taxes. Of special interest is a book, *Death and Taxes,* by economics professor, Hans Sennholz, available for $3. Also noteworthy is a paper called, "Estate Taxation" prepared by staff economist, Dr. Art Carol.

Not all of the Heritage Foundation's publications will be pleasing to libertarians, but most of their work in economics is fairly sound. (The Heritage Foundation, 513 C Street, N.E., Washington, D.C. 20002.)

Alan W. Bock

Alan Bock is director of Libertarian Advocate, P.O. Box 3117, Falls Church, VA 22043, a lobbying organization formed to present libertarian viewpoints and proposals in legislatures and other key forums.

LUCIFER'S LEXICON
by L. A. Rollins

plain-spoken, adj. Dishonest using monosyllables.

psychokinesis, n. The power of sleight of hand over matter.

EDITORIAL

(continued from page 8)

vide these necessaries in the manner used for schooling? Or shouldn't a concern for the poor be handled by programs that are tailored to assist the poor, rather than restructure the entire system for everyone? If the public school model were used for food, we might expect to find such institutions as the Los Angeles Unified Supermarket District, with vast city-wide operations. The Board of Food would impose taxes on all residents to finance the government supermarkets, and citizens would be required to pay even if they grow their own food or buy it at a private market. Wealthy families with many children would be subsidized by poor people with no children. All residents would be required to shop at their assigned neighborhood market—unless they opted to shop at a private market, or were selected to be bussed to an outlying government market to achieve racial balance among the district's shoppers.

In view of the disastrous performance of public schools, it seems fair to suggest that had the government undertaken to nationalize the markets as it has done with schools, it is likely that there would be widespread starvation. On the other hand, the possibilities of obtaining high-quality schools if the government kept its hands off is suggested by the experience with supermarkets. In purchasing food, the consumer may elect to shop at a wide selection of stores, without getting a transfer permit from the government, and without being forced to finance a poor-quality store. How can a monopolistic public school system benefit the consumer any more than a socialized system of markets?

The Eagle Point public school closure can have a far-reaching impact if it influences Americans to evaluate the alternatives to public schools and points the way towards a voluntary system.

—MANUEL S. KLAUSNER

"Now is the time when men work quietly in the fields and women weep softly in the kitchen; the legislature is in session and no man's property is safe."

Daniel Webster

SPOTLIGHT

Four years ago, libertarians working within the Federal government could have fit easily into a phone booth. Today, however—thanks in large part to the efforts of one Congressional staffer—they have grown greatly in number and influence.

Behind this change has been a bright, attractive, 31-year-old legislative assistant named Scootch Pankonin. With the support of her employer, Congressman Steve Symms of Idaho, she has organized a loose network of libertarians throughout Capitol Hill and the civil service. The group has so effectively spread word of its concerns that a number of Congressmen regularly check with Pankonin to determine the libertarian position on issues. Equally important, disgruntled bureaucrats are leaking reports to her of horror stories to be investigated.

Pankonin had not heard of libertarianism for most of her years as a press aide to her previous employer, a leading Senate conservative. She knew, however, that she disagreed with the senator's views on civil liberties issues. "When Steve Symms was running for Congress in 1972, he was mentioning the word libertarianism—and talking about some of the libertarian philosophy," she says. "I read his press releases, and said 'aha.' "

Her education quickly went deeper. After joining Symms' staff as a natural resources specialist, she began reading Rothbard and Mises at the prompting of the new Congressman. Seminars followed with the Foundation for Economic Education, as did meetings with Rothbard and weekend work for the 1974 Libertarian gubernatorial campaign in New York. Pankonin also bought the entire FEE library, but admits that the past two years have been too busy for her to make a dent in it.

Libertarians on Capitol Hill first began to organize in late 1974, when Pankonin and Senate staffer, Dr. Arthur Carol, decided to launch the Free Market Luncheon Group. In addition to her full-time workload, Pankonin took responsibility for organizing the weekly catered gathering, which was soon drawing some of the most distinguished libertarians and governmental figures in the country. Among those appearing before the group, in its year and a half of existence, were Council of Economic Advisors chairman Alan Greenspan, Nobel Prize winning economist F. A. Hayek, and economist Murray Rothbard. Some of the luncheons attracted 150 paying Congressional staffers and guests.

The luncheon group was ended in 1976 due to increasing demands on Pankonin's time, although a dinner group—to be held at less frequent intervals—will soon be taking its place. Pankonin notes that benefits continue to flow from the luncheons, however. About 10 Congressional staffers became hard-core libertarians after beginning to attend the weekly sessions, and more than a dozen libertarians surfaced in the bureaucracies. The latter include middle and upper echelon officials in the Federal Trade Commission, HUD, the Department of Transportation, the Council of Economic Advisors staff, and the Community Services program.

SCOOTCH PANKONIN

The informal underground has been having an impact ever since. With advice from their allies in the bureaucracy, Congressional libertarian staffers are able to frustrate proposals that would injure consumers and taxpayers. "Libertarians in the agencies call to alert us about new programs, and we get together in the evenings to talk about new proposals and amendment ideas," Pankonin says. The result is that libertarians are often able to assure a withering, technical scrutiny of bills submitted to Congressional committees, and offer plausible alternatives.

Ordinary bureaucrats who nurse grievances have also begun approaching libertarians in Congress. "We're getting a lot of 'rat finks' in the regulatory agencies who say, 'I woke up this morning and thought of all the horrible things I'm doing to the American consumer," Pankonin says. "And then they spill the beans. That has probably been the biggest function of the luncheon group—establishment of a clearinghouse for people in the agencies, Congress, and business communities."

Pankonin recognizes the odds against those working from within. Each year, she sees an increasing number of constituents with urgent problems caused by the state—a woman "starving on the street" because of a Social Security computer problem, numerous victims of OSHA, or people harassed by the IRS. Increasingly, the victims have nowhere to turn to but their Congressman. "Every year, we get more and more such problems," she says. "The problems are going to keep growing as the government gets bigger."

The blame for the worsening state of affairs, Pankonin believes, rests with the attitude of the ordinary Congressman. "There isn't one member of Congress who doesn't recognize that somebody's hurt, or somebody falls through the slats, every time the government does something new," she says. "But the answer is never to repeal, but to put bandaids on for one group and relocate the problem to another group."

When not fighting short-sighted political "solutions," Pankonin enjoys travel, libertarian socializing, and time spent with her six-year-old daughter, Anne. She claims to have fed every pigeon in Southern Virginia and to have visited the local zoo about four dozen times. Besides these activities, Pankonin lays plans for the day when she enters the private sector, perhaps as a lobbyist on behalf of private use of natural resources.

Whatever her future vocation, Pankonin intends to remain near Washington and active in libertarian politics. Two trends particularly encourage her: an interest by some Congressmen in libertarianism as a way to reach antipolitical voters, especially young people; and a larger convergence of libertarianism with some elements of the New Left. These trends to her augur success beyond the day-to-day battles to extinguish political forest fires. As Pankonin sees it, libertarians now have the capacity to begin starting some forest fires of their own, in the heart of the Federal government. ☐

MOVIES

• Paddy Chayefsky once again proves himself the master of lethal satire with **NETWORK,** an outrageous look at the power games behind big-time television. As in his earlier films, such as *The Hospital* and *The Americanization of Emily,* Chayefsky creates characters who indulge in all kinds of exaggerated behavior without becoming caricatures. The plot concerns the fate of a network anchorman who suffers a nervous collapse after being fired, then is rehired when his strange behavior on the air causes his ratings to shoot up. Prime mover behind this maneuver is Faye Dunaway, in the best performance of her career as a hyperactive programming executive whose one-track ambition is to achieve "a 20 rating and a 30 share." Her pursuit of the elusive audience leads her to launch a revolutionary crime drama, "The Mao Tse-Tung Hour," giving control of the show to real live communists (who soon prove to be very adept capitalists). The movie also gives the needle to corporate power games and the extreme suggestibility of the masses. Chayefsky makes some valid points concerning the too-pervasive influence of television, and the decline of individualism in an increasingly corporate world. The screenplay is least effective when it becomes preachy, but fortunately this does not happen too often. Stellar performances, in addition to that of Miss Dunaway, include William Holden as an old-line network executive attempting to hold on to his conscience; Peter Finch as the deranged newscaster; and Robert Duvall as a ruthless hatchet man for the conglomerate that is in the process of taking over the network. By all means, see *Network* while it is still in the theaters; it may never reach prime-time television! Rated "R."

—Charles F. Barr

• **VOYAGE OF THE DAMNED** would be much better if it were much shorter. Two hours and 35 minutes of mental anguish is simply too much, even for as finely crafted a movie as this one. An all-star cast is featured in the true but little-remembered story of a ship-load of Jewish refugees which left Germany in 1939 for a promised asylum in Havana, Cuba. But the Nazis never intended for the passengers to disembark in Cuba or anywhere else; they had planned the voyage for a propaganda purpose of their own. The film tells the story as accurately as possible, while protecting the privacy of the survivors. But the story is told in a drawn-out, protracted manner which dilutes its value as a psychological study (there are too many characters) and as an adventure. Little else about the movie can be faulted, however. The photography is meticulous, the costuming authentic, the dialogue refined, and the acting superior. Among the many notable performances are those of Max Von Sydow as the decent, highly moral captain, Ben Gazzara as a one-man rescue mission, Katharine Ross as a high-class prostitute with political connections, James Mason as the only non-corrupt official in Cuba, Orson Welles as a sympathetic Cuban businessman, Helmut Griem as a sadistic Nazi, Malcolm McDowell and Lynne Frederick as a doomed young couple, and a passenger list which includes Oskar Werner, Faye Dunaway, Lee Grant, Sam Wanamaker, Julie Harris and Wendy Hiller. As a political aside, it is worth noting that one of the countries which refuses to grant the passengers asylum was the United States, during the term of that great humanitarian, Franklin D. Roosevelt. Rated "PG."

—C.F.B.

• The well-worn formula for disaster epics fails to work in **TWO-MINUTE WARNING,** despite a capable cast and some interesting plot twists. The story revolves around a sniper holed up in an inaccessible area overlooking the Los Angeles Coliseum, where a championship football game is taking place. The crowd of 91,000 includes several presumably important politicians, with the President of the United States scheduled to arrive at any moment. Worst of all, there are only 33 exit gates, creating the potential for a mass panic. The movie's premise is sound, but a key ingredient is missing: motivation. The audience is never shown who the sniper is, who he is trying to kill, or what has triggered his lethal intentions. Without this motivation much dramatic value is lost, and the movie eventually becomes as senseless as the events it portrays. The protagonists and the victims are mostly stock characters, and mostly not very likeable. Charlton Heston is a police captain assigned to capture the sniper; John Cassavetes heads a S.W.A.T. team; Martin Balsam is the worried stadium manager; David Groh and Marilyn Hassett are comic relief; Walter Pidgeon is a pickpocket; David Janssen and Gena Rowlands are a soap-opera couple; and Jack Klugman is a two-bit gambler. The premise could have worked as a psychological drama, but with its sketchy characters and gratuitous gore *Two-Minute Warning* becomes nothing more than a high-class, slice-of-death exploitation picture. Rated "R."

—C.F.B.

Peter Finch becomes the "mad prophet of the airwaves" in a scene from NETWORK.

BOOKS

CHOICE IN CURRENCY: A WAY TO STOP INFLATION. By F. A. Hayek. London: Institute of Economic Affairs. 1976. 48 pp. 1.00.

Reviewed by Joe Cobb

The argument which Prof. Hayek develops in this very short lecture, presented before the Geneva Gold and Monetary Conference in September 1975, is that legal tender laws, and the effective monopoly on the printing of money which governments enforce in their territories, are the cause of virtually all monetary problems, including inflation. In the absence of such laws establishing a monopoly, individual citizens would make their contracts in whatever unit of account suited their purposes best. Since a rapidly depreciating unit of account would be disadvantageous to at least one of the parties to a contract, all contracts would tend to be quoted in the most stable unit of money available.

The upshot of a system of free choice would be the abandonment of any governmental monetary units which fall into disfavor with the market. The survivors, as in Darwin's theory, would become the "world currency." With floating exchange rates between various monetary units, the good will drive out the bad—just the opposite of Gresham's Law, which works only where there is a fixed exchange rate.

The logic of Prof. Hayek's proposal is straightforward, but it must be obvious to any reader that no government would voluntarily give up the power to define legal tender and to enforce its law requiring contracts to be convertible into the legal unit of account. Such an act would be tantamount to giving up the power to lay and collect taxes, and the repudiation of its national debt. It is the public debt, the "faith and credit of the State," which is the critical element in this analysis. The public debt, by definition, is made up of promises to pay "something" in the future out of future tax revenues. This "something" must be either some specific product or commodity, or it is the legal tender unit of account which the government expects to collect from the citizens. Yet, if the citizens are merrily making their contracts and paying wages in whatever they feel like (free choice in currency) the government will have a problem sorting out what it is supposed to collect. No free trader in his right mind would make tax collection easy for the government.

Some of our lovable libertarian monetary cranks have observed that Federal Reserve Notes are "I.O.U. Nothings" because they aren't payable in gold. They may be nutty, of course, in the eyes of respectable economists and businessmen, because "everybody knows" that a dollar is a dollar. The reason why you will accept it in payment for your services has nothing to do with the fact that there is a law which makes you accept it. You will take a dollar in payment because it is customary; that is, you know that everybody else will take it in trade also. You aren't taking any risk.

There is a law, however, which says that everybody must keep books and records for tax purposes. Historical costs must be documented. In the absence of a legal tender law, or of some predictable price for "dollars" in terms of something physical, how would the government collect anything if individuals decided to keep books and records in terms of barter? How many "dollars" would they owe? In the last analysis, a tax has to collect some real goods or services or else it is not really a tax, and the public debt has to be repaid in some real goods or services or else it is not really repaid. The legal tender law relates the stock of present (taxable) assets to the government's financial structure, in particular to the future liabilities of the taxpayers.

The central assumption of modern monetary theory is the postulate that the government creates the money supply, and can therefore control it. Hayek seems to subscribe to this idea. This theory assumes that there is a "supply" of something in fact, when there really isn't. The only thing which keeps the monetary system in check is the legal tender law and the tax (bookkeeping) law.

The classical quantity theory of money was built upon a commodity standard, which does not lend itself to this sort of ambiguity. A grain of gold is a grain of gold. The system of credit which was developed at the dawn of the modern era had no such problem: there was a price rule between "One Grain" on the books and one grain in physical form. Any wealthy man might create more "Grains" on the books, except that he would have to be able to pay real grains if some lousy creditor should insist. Today, there is no limit on the total number of units the central bank can put on the books. In fact, not just the central bank but anyone can put units on the books just by making a contract. This is how the "offshore" banks make a profit; this is what unutilized trade credit and credit cards are, and how Eurodollars come into existence.

The "supply" of bookkeeping entries is completely without form and void. It is an illusion to assume that society has a "supply" of something just because it is mathematically additive. Indeed, all that is contained in that pseudo-aggregate is everybody's willingness to extend credit to everybody else, or to evaluate assets at some bookkeeping number. The quantity theory of money begs the question: What quantity (of what?) at what price? Hayek's proposal for free choice in this system of accounting illusion would destroy the system, because it would eliminate the implicit "price rule" between present assets and future liabilities. Hayek argues that the imminent demise of its currency would force a government to behave responsibly, but in fact the market's economies of scale here would eliminate all but the most preferred currencies.

Yet here is where Prof. Hayek reveals himself to be a genius of the first rank—far more subtle than Lenin or Lord Keynes. What is the strongest form of money? If good money drives out bad, which is true when the right to choose good money exists, government money would soon vanish from the face of the earth and mankind might find itself forever blessed with something generally agreed to work better, like the gold coin standard. What would it take for such a market revolution? Perhaps nothing more is required than an act of will on the part of free traders in the market, with the help of a banker or two. The legal tender laws, after all, only become important in the private sector if one businessman goes into court to sue another. If a way can be found to avoid government courts, then government money and perhaps government taxes can be avoided as well.

Hayek is not yet an anarchist, however. He has not considered the effect of his proposal on the collection of taxes and the effective repudiation of

the public debt. It is important to recall that the public debt includes things like future social security pensions. This is political dynamite. His proposal is clever, and it might lead directly to a new international gold standard, but nothing short of the collapse of the West is likely to bring it about spontaneously. The voluntary agreement of all governments to return to a monetary system based on gold coin would fulfill Hayek's requirement—but this also seems about as likely as the collapse of the West.

This booklet contains, in addition to the Hayek lecture, an interesting note by Sudha Shenoy on the government monopoly of money in theory and history. In this note, some of the most interesting implications of Hayek's proposal as they have occurred in the past are presented. One is led to the conclusion that the logic of history will lead us back to an international gold coin standard, but the exact path is not clear.

Whereas nothing really prevents the growth and development of a private, libertarian gold standard among individuals and businessmen who might choose to make their contracts in terms of commodities, the governments of the world probably won't leave them alone—the tax authorities will probably continue to insist that books and records be maintained in terms of "legal tender." This will put tax accountants into the business of appraising assets. An alternative would be the voluntary submission by governments (and taxpayers) to some commodity "price rule" for the units of the public debt, but the collapse of the West does seem more likely in the short run. ◻

Joe Cobb is employed as fiscal officer of the Industrial Commission of Illinois. He has written a number of articles on economic topics since graduating from the University of Chicago in 1966. He is editor of the monthly Bulletin *of the Economic Education & Research Forum.*

SURVIVAL GUNS. By Mel Tappan. Los Angeles: The Janus Press, Inc. 1976. 458 pp. $7.95.

Reviewed by David Lloyd Sutton

The cover claims that this is "a guide to the selection, modification and use of firearms and related devices for defense, food gathering, predator and pest control, under conditions of long term survival." That is the most modest claim that could have been made for this fine work. *Survival Guns* is that rarest of books, an expert discourse which is a good introductory work and yet valuable reading for those who are long past the introduction phase.

Tappan completely avoids the traps most firearms authors fall into; he never talks down, uses statistics only when necessary and does use them where their use is necessary to the reader's understanding. He does not ramble or reminisce.

The sheer readability of *Survival Guns* almost masks the astounding volume of information the author has to convey. Weapons and accessories, tools and tricks, tactics and timing; all are discussed in relation to a theme. And that theme is survival.

What are your weapons requirements for long-term survival? Tappan puts them down systematically and logically; he presents his readers with the information necessary to decide in each individual case. This is no "formula" book, and the author does not presume to do your thinking for you. He differentiates clearly between researched fact and opinion. And he tells you the basis of his opinions.

Weapons are examined for their conformity to the needs of the user, his intended environment, and his anticipated requirements; they are never discussed simply as catalog items to be memorized. Anyone who has ever fallen asleep over one of Jack O'Connor's valuable but dry as dust ballistics analyses can appreciate my enthusiasm for Tappan's approach.

Did you know that there is a modified version of the old reliable Garand that uses a handily short barrel and a 20-round magazine? I didn't, and I've been a fan of the Garand for 15 years, 15 years I've spent lamenting the Garand's unfortunate length and limited capacity.

What would you pick for a lady's sidearm? Tappan rightly points out, "Armed attackers are no easier to stop just because a woman is shooting at them . . ." This is the first time I have encountered a firearms writer honest enough to acknowledge that handguns are modern, technological appliances that don't require 200 lbs. of muscle to employ. Most of the writers in this field apparently regard decently heavy handguns as being on the same plane as a broadsword.

Survival Guns is more than a "gun book." It includes a good bit of relevant philosophy, discussion of the uses of meditation in the development of a combat-level awareness, an extensive bibliography, basic instructions in everything from patterning a shotgun to how to throw boleadoras—in fact a bit of everything germane to the subject of survival in the face of hostile action or food scarcity.

There are writers now cashing in on the retreat idea, people writing "physical survival" material on the order of "Store lots of food and stay off skylines during firefights," people imparting information gleaned from reading a lot of combat fiction . . . but Tappan is not one of those. He has obviously spent many years of diligent research on the subjects in his book. I recommend it as a textbook, for general enrichment reading, or simply for what it is designed to be: an aid to long-term survival planning.

Buy it now; reading this book after a crisis could be the most futile thing you ever do. ◻

David Sutton is a farmer, craftsman, and writer, and a long-time student and user of weaponry. He is a former regional chairman of the California Libertarian Party.

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publisher's notes

• **INSTITUTE OF ECONOMIC AFFAIRS:** A highly significant British organization, the Institute of Economic Affairs was founded in 1957 to improve public understanding of economic principles. The IEA has published more than 200 books, essays and reports, and is emerging as an influential source of free market ideas in Great Britain, as British politicians grope for new means of keeping the British economy from collapsing.

The IEA's newest publication, *Denationalisation of Money,* by Nobel Prize winning economist F. A. Hayek is a devastating attack on legal tender laws and monetarist policies. Hayek's landmark book discusses his reassessment of this important subject and deserves wide circulation.

To obtain a listing of IEA publications, write IEA, 2 Lord North St., Washington, D.C. SWIP 31B, England, or to IEA's U.S.A. distributor, Transatlantic Arts, North Village Green, Levittown, NY 11756. The Hayek book was scheduled for release in October at the price of £ 1.80, and will be reviewed in a future issue of REASON.

• **POLITICS AND BUSINESS:** Great Britain's Tory party issued a statement of its philosophy and policy in October. Entitled *The Right Approach,* the statement contains much vivid language defending the free market and attacking the horrors of the ruling Labor party program. Unfortunately, portions of the statement appear to cover more sides of an issue than Jimmy Carter. For example, on state subsidies to industry, the document states: "Our aim is to make it much more difficult for Governments to become involved in unviable industrial concerns, without making it impossible to support potentially viable firms where there is an overwhelmingly good reason for doing so that can be justified in Parliament." Read this sentence again and ask yourself whether Britain needs a Libertarian Party!

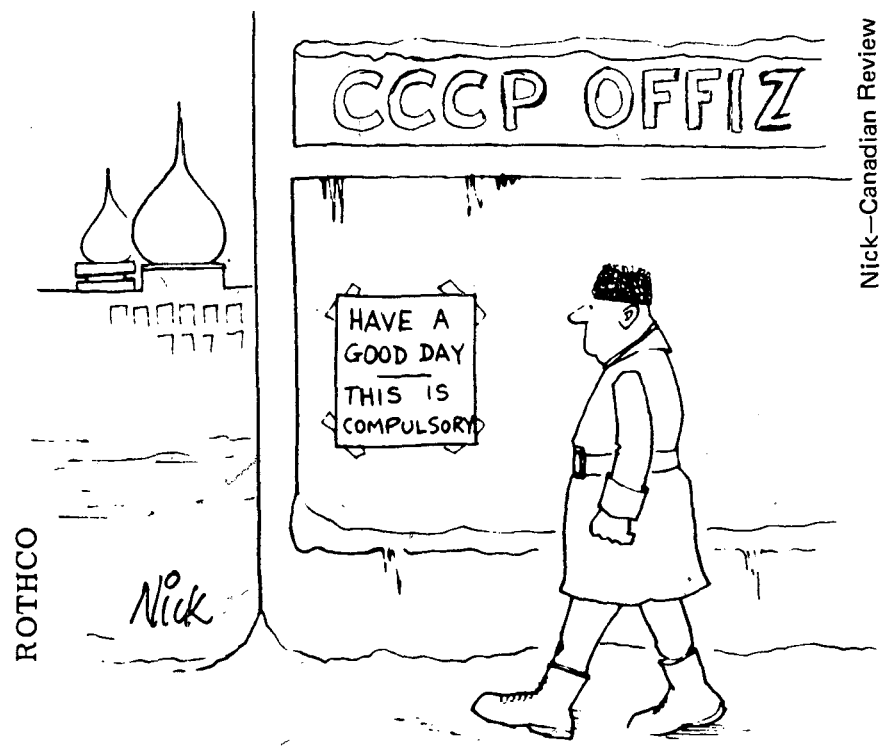
• **ERRATUM:** We wish to apologize to Mark Coleman, our guest Foreign Correspondent (October) for a typographical error in listing his author's credit. The reference to his position with *Sunbums* should have read that he is a writer and circulation director for *Sunbums,* a youth-oriented underground newspaper in Hawaii.

• **REASON PAPERS:** *Reason Papers* began publication in 1974 in response to a frequently voiced desire for a scholarly, inquiring, and wide-ranging publication to explore issues related to the development of a good human community. Tibor Machan, editor of RP has observed that "The interdisciplinary character of the journal is intended to encourage scholarship that takes as a reasonable presupposition that reality is an integrated whole and capable of being studied by means of reasoned analysis of both ordinary and specialized experience. Its normative emphasis reflects the awareness of a widespread neglect of reasoned concern with problems of evaluation, criticism, and policy guidance."

Reason Papers is not yet a popular success, and it may be that no journal of its kind can be. What it has accomplished is to bring together a number of scholars whose concern for its aims could not be exhibited in other publications. The ranks of such scholars is growing, and *Reason Papers* has become a valuable source of scholarship. Copies of the Fall 1976 issue may be obtained for $4.00 from Tibor R. Machan, *Reason Papers,* Dept. of Philosophy, State University College, Fredonia, NY 14063.

• **ROTHBARD INTERVIEW:** The October issue of *Penthouse* contains an excellent interview with leading libertarian theorist Murray Rothbard. Rothbard was interviewed for *Penthouse* by Jim Davidson, National Taxpayers Union director. The interview is a good short item to circulate to your friends to acquaint them with libertarianism. And it might be helpful if *Penthouse* received a lot of mail commending them on this hot feature.

• **TV SERIES:** NBC and the Law and Economics Center (LEC) of the University of Miami School of Law have collaborated to produce *America: The Super Market,* a series of 20 half-hour TV programs on the American economic system. LEC is arranging for the series to be telecast on NBC stations in major cities in the U.S., and has produced a color videocassette of the series for use with in-school and in-company educational programs. Information concerning the series may be obtained from TV Series, Law and Economics Center, University of Miami School of Law, P.O. Box 248000, Coral Gables, FL 33124. ◻



FRONTLINES

SCHOLARS CONFERENCES

Many years ago, Prof. F. A. Hayek wrote that the cause of liberty was in grave danger unless we could once again make it the subject of passionate concern among intellectuals. The recent awards of the Nobel prizes to Hayek and Milton Friedman, and the announcement two years ago of the National Book Award in Philosophy for Robert Nozick's *Anarchy, State and Utopia* would suggest progress.

On October 22-24 in New York, the Center for Libertarian Studies sponsored the 4th annual **Libertarian Scholars Conference.** Over 75 persons were present for the proceedings, predominantly young professors and Ph.D. candidates from all parts of the United States. Papers were presented on topics ranging from the foundations of libertarian legal theory, the economic and legal problems of liability, specifically in regard to pollution and bankruptcy, an historical perspective on libertarian social analysis and a discussion of the current state of social analysis in the United States. Robert Nisbet's *Twilight of Authority* and Carl Oglesby's *The Yankee and Cowboy War* were the focal points of two full sessions of the conference.

Prof. Nisbet was in attendance during the discussions of his book and the subsequent exchanges on social analysis, conspiracy theory, and class conflict. His work was both complimented and criticized by the discussants, Leonard Liggio of the State University of New York at Old Westbury, Joseph R. Peden of the City University, Baruch College, and John P. McCarthy of Fordham University. The principal weakness of his book, Peden pointed out, stems from the failure to incorporate economics and the consequences of economic policy into the social analysis. Nisbet concurred with this observation. The similarity between Nisbet's emphasis upon community processes and Kropotkin's small-group anarchism was noted.

David Osterfeld of the University of Cincinnati presented an analysis of Marx's theories of capitalism, illustrating that he held two separate theories. The well-known commodity production theory is, in fact, less important in many of his insights than an implicit theory of the State in capitalist society which remarkably resembles Benjamin Tucker's analysis.

Bill Evers from Stanford University and Randy Barnett from Harvard contributed papers to the conference on the subjects of rights and contracts, probably the central concepts in libertarian philosophy. Evers explored the theory of natural rights and property rights as seen by Hobbes, Locke, Rand, and others. An important point is whether rights are seen as prior to the system of social organization or emergent from it. Barnett discussed property rights as aspects of an individual's will or volition. A person's ability to perceive choices and have the will to act cannot be signed away. It makes no more sense to say that a person could sell himself into slavery than to say that he could sell you a plot of land on the moon. Barnett also made the point that the libertarian view of property rights positions an individual midway between special interests, without a brief for any side. For this reason, the libertarian perspective may often be the only disinterested analysis one can adopt.

The Center for Libertarian Studies, 200 Park Avenue South, New York, NY 10019, is preparing additional conferences and will begin publishing the quarterly *Journal of Libertarian Studies* in January. The *Journal* is available for $20.00 per year from the Center. The first issue will have a detailed review of rights and contract theory by Evers, a special section on Nozick's theory with contributions by Murray Rothbard, Roy Childs, and Randy Barnett, and articles by Walter Grinder and John Hagel. Hagel's paper at the conference was a thorough critique of class analysis from a libertarian perspective.

During the first weekend of March, 1977, the Center will sponsor a conference at Harvard University on the topic of Crime and Punishment—retribution, restitution, and the law. Prof. Alan Dershowitz will chair this conference, which will include as participants Thomas Szasz, James Banfield, James Q. Wilson, Murray Rothbard, Walter Kaufmann, Gerald O'Driscoll, John Hospers, Ronald Hamowy, and Leonard Liggio. For more information, contact the Center.

THE A.A.P.S.S. CONFERENCE

On October 9 and 10, the **American Association for the Philosophical Study of Society** met for a conference on value theory, hosted by the Department of Philosophy at Bowling Green State University in Ohio. Prof. Fred D. Miller of Bowling Green and Profs. Douglas Den Uyl and Douglas Rasmussen of Marquette University were principal organizers of the conference.

Papers were presented by Den Uyl and Rasmussen, Charles King of Pomona College, John O. Nelson of the University of Colorado, Jeffrey Paul of Northern Kentucky State University, and J. Huston McCulloch of Boston College.

Den Uyl and Rasmussen prepared a detailed and intricately argued answer to Robert Nozick's paper "On the Randian Argument," *The Personalist*, Spring 1971. This article is the major serious criticism of Ayn Rand's Objectivist system. The paper importantly questions whether Nozick has succeeded in demolishing Rand's argument.

Prof. King, himself a Harvard graduate and student of John Rawls, presented a paper developing a concept of "goodness" based on Chapter 7 of Rawls' *A Theory of Justice.* King argues that Rawls is too often praised or criticized by writers who agree or disagree based on his political conclusions. King developed a good case for an individualistic, person-relative conception of goodness based on some of Rawls' ideas.

McCulloch's paper was a very detailed development of certain ideas about value in Austrian economics. The issues dividing economists and philosophers in analyses of the theory of subjective value were clarified and a useful dialogue was produced.

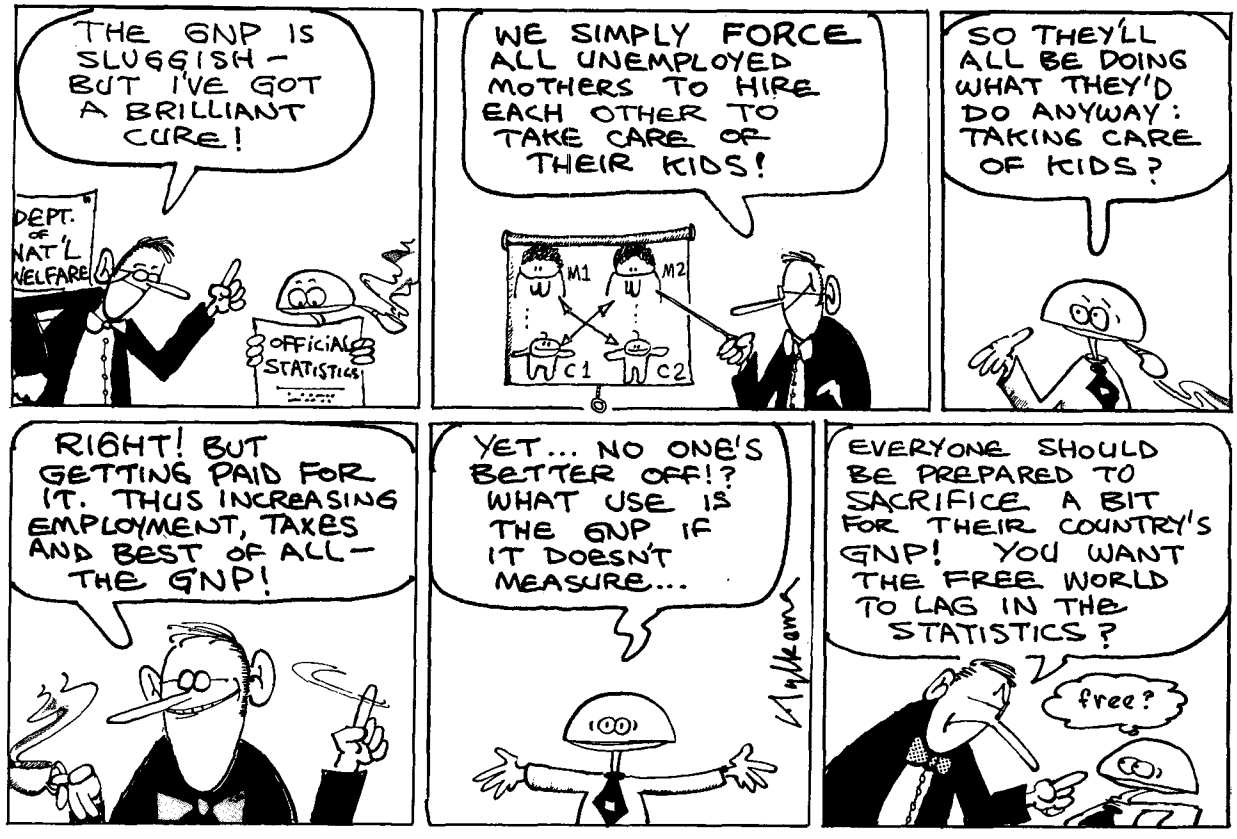
During the second day of the conference, a panel discussion was videotaped for future broadcast and distribution. The panel focused on the concept of value as seen by philosophers and economists. Members of the audience, which numbered approximately 75, participated in the exchange. The discussion was described by one observer as "serious, lively, very fruitful, and exhilarating to boot." The videotaping of conference sessions is a technical development which we can all look forward to more in the future.

For more information about the American Association for the Philosophical Study of Society, write to Douglas Den Uyl, Box 13313, Wauwatosa, WI 53226.

Joe Cobb

rudebarbs

RANDALL K HYLKEMA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LETTERS

(continued from page 10)

mander, Gage, ran also, not dismounting until he reached Charlotte, NC, leaving DeKalb and the Maryland and Delaware Continentals in the lurch.

On the other hand, it was the Maryland Continentals (Gunby's regt.) who broke and ran at the battle of Hobkirk Hill, while the Virginia militia held. At Eutaw Springs, the North Carolina militia retreated, after 17 volleys, but the second line, the North Carolina Continentals behind them held. Meanwhile, at the other end, the mounted militia had to rescue the Continental cavalry, as the British were using a garden palisade and the dormer windows of a three-story house as fortifications.

As for frontiersmen coming down out of the mountains with their long rifles and shooting at the British from behind rocks and trees, this is pretty much exactly what happened at Musgrove's Mill, and again at King's mountain. In both cases the British losses, captured and killed, were as many or more than the entire American force, composed of Georgia and Carolina militia solely.

The only battle fought solely by Continental troops, Buford's Massacre, was a total disaster, but against superior forces. Likewise, the second seige of Ninety-Six, by Greene's Continentals with only about 50 militia auxiliaries, was unsuccessful. But the militia and Continental cavalry took British posts at Ft. Watson (with a seige tower) and Ft. Motte (with fire arrows, setting the British powder depot on fire).

At the first seige of Charleston (Ft. Moultrie), the militia held off the British navy (which could not pass the forts guarding the harbor) and the British army (which had landed on the Isle of Palms, but couldn't cross to Sullivan's Island because of the militia riflemen). At the second seige, the Continentals let themselves be trapped in the city itself, without a fight, when the British invaded overland from Georgia, and starved out without a real fight.

There's only one other major battle: Cowpens. There the militia and sharpshooters faked a retreat, led the British regulars into a prepared ambush, reformed behind their own lines (an operation of considerable difficulty) and attacked the British on the opposite wing, completing a classic double envelopment. At this battle it was British regulars who ran away.

John T. Harllee
York, SC

MONDALE, BABY DESTROYER

Senator Walter Mondale put a bill through the Senate setting staffing standards for the new Federal day-care program. It was opposed on the basis that the states should set their own standards. It should have been opposed because it will destroy the hopes of millions of children ever getting any kind of an education. It interferes directly in their most important learning years with adult ego-centered "teaching."

It requires one adult for two babies. You can imagine 10 women sitting, smoking, drinking coffee, in an immense boondoggle, while 20 babies sleep peacefully on. But the destruction is saved for the children old enough to need to be left alone. His bill requires one adult for each five children. This is brutal.

We are programmed by millions of years of survival to learn at a tremendous rate from birth. Every baby is born a genius, as Bucky Fuller points out, but it is soon beaten out of him. Whether or not he will ever get a formal education is learned by age 1½, and it is measurable by 3. The Department of Education recently reported that nearly half of the nation's adults are functionally illiterate after a dozen years apiece enslaved. Inability should be determined by age 3, and those children should never be put into a dozen years of slavery for the profit of a teachers' empire. They have been turned off one-to-one and no thirty-to-one fakery can turn them back on. (There are ways, but not by *teaching.*)

The baby learns a foreign language by age 2, (his mother's, but it can be several at the same time), reaches half of his intellectual growth by age 4, 80 percent of it by 6, when the schools take over and pretend to educate him.

Give him an electric typewriter at something over age 2 and he will teach himself to read and write by 3, as we are working on in some Montessori environments. You can find their schools with 20 to 30 children, all furiously practicing to learn to use their minds, bodies, all their senses, with one teacher and a helper staying out of the way. The children go over and over the same fascinating games until they put them aside for others.

You can imagine the destruction that will be wrought when one "teacher" is trying to justify her pay by "teaching" every child in sight! The poor youngsters will lose their one chance to learn how to learn, all for the profit of the teachers. AFL-CIO teachers unions induced HEW to put a billion dollars in the next budget so they can extend their enslavement to age 3. You can imagine the destruction of ability to thrive that will result!

The 13th Amendment in effect calls mandatory attendance laws unconstitutional. Slavery is forbidden except as punishment for crime, except that children are criminals by this definition. When nearly half of the slaves get no benefit, then we must conclude that the system is organized for the profit of the operators, the politicians and teachers, the children are merely the game-pieces, and a dozen years of hate-filled slavery is a small price for the children to pay so their parents don't have to be responsible for them.

Thomas S. Booz
Plantation, FL

Letters from readers are welcome. Each receives editorial consideration, although only a selection can be published and none individually acknowledged. Letters submitted for publication in this column should be typed, double-spaced. They should be kept as brief as possible and are subject to condensation. Send letters to REASON, P.O. Box 40105, Santa Barbara, CA 93103.

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ATIONAL HARD ASSET REPORTER advised subscribers on Dec. 11, 1972 to buy nese yen against the U.S. dollar. On February 28, 1973, when sale of yen was mmended; subscribers realized a profit of $4,300 per contract. **NATIONAL HARD ET REPORTER** has been watching the currency markets for *years*. Prior to the ust—December, 1971 currency crisis, subscribers were advised to put their cash in ss banks. By doing so they realized a 15% profit while maintaining their purchasing er. Again on October 15, 1973 and November 12, 1973, **NATIONAL HARD ASSET ORTER** advised to sell British pounds and Swiss francs against the dollar. On uary 14, 1975, when these positions were closed, subscribers realized $4,775 and 325 profit per contract. Again on June 9, 1975 editor Suter advised that the dollar set to make substantial gain, particularly against the Swiss franc. **NATIONAL HARD ET REPORTER** recommended selling the franc against the dollar resulting in a profit ver $4,500 per contract on August 4, 1975. Again in August, editor Suter saw the ortunity to make huge profits from the fall British pound. On December 19, when e positions were closed, subscribers earned $2,500 per contract. The continuing o of the pound has yielded subscribers $4,500 profit per contract from January, 6 through April, 1976. **NATIONAL HARD ASSET REPORTER** subscribers have made matic profits while protecting their capital from loss through devaluation and have, he same time, made dramatic profits! While the general public has been losing ney and buying power to devaluations and runaway inflation, subscribers to **TIONAL HARD ASSET REPORTER** have left the crowd and made big profits instead! fits can still be made in the currency markets. Should you be short in pounds and in the Swiss franc and mark during the remainder of 1976, **NATIONAL HARD ET REPORTER** has the best profit information.

90% YEARLY COIN PROFITS

Since 1971 **NATIONAL HARD ASSET REPORTER** has recommended various coin stments. These recommendations include a cross section of every type of United tes Coinage and some foreign issues too. There were recommendations requiring y a $5 investment and others which required in excess of one thousand dollars. On average, these recommendations have realized a profit of 90% *yearly profit* to **TIONAL HARD ASSET REPORTER** subscribers.

What are the *best* coin investments today. **NATIONAL HARD ASSET REPORTER cial reports** give editor Suter's picks for *maximum profits* during the next coin m, and you're even told when the next general, all-out, coin boom will hit.

FOLLOW THROUGH

NATIONAL HARD ASSET REPORTER follows through all recommendations until sale recommended. **NATIONAL HARD ASSET REPORTER** never just makes a purchase ommendation and then leaves subscribers wondering what to do. Instead, **TIONAL HARD ASSET REPORTER** makes the much more difficult recommendations when to sell for maximum profits.

SILVER

Silver hit its all time high price during 1974. Is it in for a repeat performance this year, should you go short (profiting as the price moves lower) for maximum profits? **TIONAL HARD ASSET REPORTER** answers these questions giving insight into how drained resources of Great Britain will affect silver prices over the next year. How the rnment's "national defense stockpile" of silver may affect the silver price. How the er Users Association may again force the price of silver down.

Should your silver position be in a Swiss Bank Silver Claim Account, or on the London er market, or in the United States market? **NATIONAL HARD ASSET REPORTER** s you the full story.

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GOLD

Gold is going to $400 an ounce just as sure as I'm human says editor Richard Suter. Knowing this, should you now buy gold coins, gold bullion or gold future contracts? In **NATIONAL HARD ASSET REPORTER** editor Suter tells you which and when! This report gives important technical information which will permit you to earn, what we believe to be, maximum profits in 1976. **NATIONAL HARD ASSET REPORTER** advised subscribers as early as October, 1974 that the price of gold would drop spectacularly during 1975. All during 1975 editor Suter advised readers to short gold, making subscribers almost 100% profit a month!

How will the continued gold dumping by the United States Government, which will soon be joined by the International Monetary Fund, affect the price of gold? Might the Soviet Union, in its need to buy United States wheat and other grains, be forced to sell so much gold as to force the price of gold back down to $70 an ounce? Are the Swiss banks currently engaged in a market fixing operation to hold the price of gold artificially low, or is it artificially high? **NATIONAL HARD ASSET REPORTER special reports** give you the scoop.

COPPER

During 1974 copper hit an all time record high price of $1.40 a pound. Since then the price has moved steadily down to the current quote of near 60¢ a pound. Copper may be the very best hedge against inflation, which editor Suter indicates will skyrocket in price with the continuing industrial expansion. Should you buy copper now for a 200% to 1000% profit during the next 12 months? **NATIONAL HARD ASSET REPORTER special reports** gives you the outlook for maximum profits from copper investments. Subscribers taking our copper recommendations beginning in December, 1975 have realized $4,000 profit per contract through April, 1976.

PLATINUM

Platinum has been a traditional store of value. In the course of history, literally thousands of people have been able to buy their freedom with platinum. In recent years the demand for platinum has greatly increased. In Japan most precious jewelry is made from platinum instead of gold. All U.S. automobiles have a catalytic converter which depends on platinum for its effectiveness. What will these new industrial applications do to the price of platinum? **NATIONAL HARD ASSET REPORTER** gives our insight. Subscribers taking our platinum advice in February, 1976, realized $1,000 profit per contract by April, 1976.

FUTURE HAPPENINGS

The *recession* is quickly *ending* all over the world. During 1977 the word on everyone's tongue will be *inflation*. This inflation will spread to *every corner of the world; commodity prices will greatly increase*! When will it finally stop again? Will the next recession end in the worst depression know to earth? **NATIONAL HARD ASSET REPORTER** gives you the full and complete review of upcoming economic events. Special reports give you an outline of when the economy will be in full bloom, and when the spiral will again wind down toward a recession, what events could push that recession into a depression, and what events could push government to create run-away inflation to create a "full employment economy" with *100% inflation a week*! Special reports tell you how to hedge against further devaluations and inflation for *maximum profits under the expected economic conditions predicted by seasoned* economists under the direction of editor Suter.

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READER CAUTION

The profits indicated in this advertisement were actual purchase and sale recommendations to all subscribers of **NATIONAL HARD ASSET REPORTER**. The *editorial staff of **NATIONAL HARD ASSET REPORTER** will continue to endeavor to find* these outstanding profits for subscribers. However, the past is not a guarantee to the future. Subscribers cannot necessarily expect these profits in the future despite the best efforts of **NATIONAL HARD ASSET REPORTER.**

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Why another libertarian organization?

We know. There are so many libertarian associations, clubs, activities, parties, candidates and publications, you practically need a scorecard to keep track of them all.

So why are we announcing the formation of still another libertarian organization?

Frankly, it's because there's never been anything quite like the *Center for Libertarian Studies.* A single-minded dedication to *ideas* sets us apart from every other movement group.

And *ideas are the key to social change.*

If you have any doubts that ideas and scholarship can make a difference, take a look at the impact of America's established political foundations. (As just one example: research done at the liberal Center for the Study of Democratic Institutions led directly to the Kennedy-Johnson "War on Poverty.")

If we're serious about achieving a libertarian society, we must create a climate to encourage the basic theory and research that will make it possible. In the long run, no task is more important for the advance of liberty.

The creation of such a climate is precisely the purpose of the Center for Libertarian Studies.

The Center will assist deserving young scholars, generate an interchange among the various disciplines concerned with human liberty, consider alternative strategies of social change, and serve as a vital link between Academia and the "real world." It's our intention that the Center ultimately become the nation's major source of libertarian scholarship.

Though still in its infancy, the Center has already attracted the support of some of the world's best-known libertarians. The CLS board of advisors includes such distinguished names as Nobel Prize-winner Friedrich A. Hayek, Robert Nozick, Mrs. F.A. Harper, Mrs. Ludwig von Mises, Felix Morley, Henry Hazlitt, Yale Brozen, and Arthur A. Ekirch.

The Center's program.

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The **Libertarian Scholars Conference**, a highly-successful series which began in 1972, and which was the precursor of CLS.

The **Journal of Libertarian Studies**, a new publication which will serve as a forum for the best in libertarian scholarship.

A **Fellows Program**, to provide young students of liberty with financial assistance, enabling them to study with the Center's New York City-area resident scholars.

The Center **Newsletter**, to keep our supporters informed about the activities and accomplishments of CLS.

CLS **Occasional Papers**, and the **Educational Project**, to promote wider understanding of libertarian ideas.

And finally, looking toward the future, a **permanent physical facility**, which will be located in the New York metropolitan area.

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K1

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